

ORGANIZATIONAL CULTURE AS A PREDICTOR OF THE  
LEVEL OF SALESPERSONS' CUSTOMER  
ORIENTED BEHAVIOR

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Submitted to the Faculty of the  
Graduate College of the  
Oklahoma State University  
in partial fulfillment of  
the requirements for  
the Degree of  
DOCTOR OF PHILOSOPHY  
July, 1992

Thesis  
1992D  
W7250

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ORIENTED BEHAVIOR

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## ACKNOWLEDGEMENTS

I wish to express my sincere appreciation to Dr. Stephen Miller for his patience, advice, and encouragement throughout my graduate program and particularly in my writing this dissertation. Many thanks also go to Dr. Josh Wiener, Dr. Steve Barr, and Dr. Paul Harper for their questions, comments, suggestions and support while serving as my professors and committee members. I also wish to extend my gratitude to Dr. Jerry Goolsby for his continued support and guidance and the Richard D. Irwin Foundation for their recognition of this dissertation with national honors and a financial award.

Most importantly, to my wife and best friend, Marilyn, whose love, sacrifice, and encouragement inspires me to reach for my dreams, my love and recognition go to you for all that you did and still do for me. Thanks also go to my mother and father, Goldie and Roy Williams, whose love, guidance, and devotion serve as a tremendous influence on what I have accomplished in my life. The inspiration to question and serve through research and teaching was instilled and nurtured early on.

I also thank my friends for their manifest and continuing support throughout this process. Special thanks certainly go to my mother-in-law and father-in-law, June and Kenny Henry for the encouragement they provide to me and assistance they lend to my family when my career takes me away from home.

Finally, I recognize and thank our daughters, Aimee and Kerri, for all their loving support, faith, and dedication to making it all work--even under some of the most difficult circumstances.

My degree belongs to each one of you, for you have all provided invaluable support and encouragement. Each of you hold a very special place in my life and in my career. Thank you for making it possible.

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## CHAPTER I

### INTRODUCTION

Emphasizing the need to build long-term relationships with customers, the popular idioms of "customer focus" and "marketing focus" are once again gaining attention as an all encompassing business objective for competing in today's ultra-competitive global marketplace. Indeed, the short-term focus and failure of financial budgeting in strategic planning has re-directed business strategy toward a customer orientation with marketing and the marketing concept once again taking a central role in the strategy of the firm (Webster 1981, 1988).

This revival of practitioner and researcher interest has sparked considerable investigation into the domain and the implications of the marketing concept (Webster 1981; Houston 1986; Parasuraman 1987; Webster 1988; Shapiro 1988; Deshpande and Webster 1989; Padmanabhan 1990; Kohli and Jaworski 1990). Other researchers conceptualize and support various relationships between a customer focus strategy and performance (Strong 1925; Levitt 1960; Peters and Waterman 1982; Saxe and Weitz 1982; Kotler 1984; Kotler and Andreason 1987; Webster 1988; Crosby and Evans 1989; Marquardt 1989; Narver and Slater 1989), yet little progress has been made toward explaining the difficulty most firms encounter in successfully implementing the marketing concept. Scholars and practitioners alike call for research addressing the recurring question: Why do so many firms espouse the philosophy of customer orientation, yet so few successfully achieve this orientation (Felton 1959; Webster 1981; Houston 1986; Webster 1988; Parasuraman 1987; Kohli and Jaworski 1990; Padmanabhan 1990)? These lamentations further echo the Marketing Science Institute (1988, 1989) in calling for research to identify and

explicate the antecedents for successful implementation of customer orientation.

### Customer Orientation Is Nothing New

The concept of a business enterprise maintaining a customer focus is certainly nothing new. Adam Smith (1776) advocated that the purpose of a business enterprise was to serve consumption. Bell and Emory (1971) further documented this emphasis on the customer as it is reflected in early marketing texts. These early texts emphasized that providing customer satisfaction is the purpose of marketing. Indeed, Converse and Huegy (1946) state:

Business functions to satisfy the needs of the consumers. The first measure of the success of any business is how well it serves the customers. If an operation is not in the interest of the consumers, it is not justified, no matter how profitable it may be to its owners. He profits most who serves best.

Regardless of its early inclusion in the study of marketing, little if any research or practical application of the concept was realized until the 1950's when Drucker (1954) and McKitterick (1958) first referenced it as an internalized philosophy of conducting business. Keith (1960) further popularized the marketing concept and by 1965, practically all marketing introductory texts included major references to customer orientation and the marketing concept.

### Fundamental Questions

Despite over three decades of eminence within the marketing discipline, the strong belief in the superiority of external market oriented strategies has been "based solely upon intuition and casual evidence" (Narver and Slater 1989, p. 1). Empirical investigation into the causes and effects of market orientation have been hampered by the lack of generalizable measures of the construct with proven reliability and validity. This lack of investigation has historically left several fundamental questions unanswered:

1. What, if any, relationship exists between the market orientation of a firm and its performance?
2. What is a market orientation?
3. How can a market orientation be created and sustained?

The 1989 research study by Narver and Slater is the first study possessing evidence of reliability and validity that empirically investigates the long conceptualized relationship between market orientation and performance. In their analysis of the relationship between market orientation and performance, Narver and Slater infer market orientation to be a higher level uni-dimensional construct composed of three highly related components: (1) customer orientation, (2) competitor orientation, and (3) inter-functional coordination. In their investigation, Narver and Slater find support, at both the construct level and component levels, for a positive relationship with performance. That is, a statistically significant relationship with performance was exhibited for the construct market orientation and each of the construct's components: customer orientation, competitor orientation, and inter-functional coordination.

This support for a positive relationship between a firm's market orientation and its performance emphasizes the need to extend our understanding of market orientation. How does market orientation relate to performance? What are the antecedents of the construct? The findings of Narver and Slater begin to answer the fundamental question regarding the conceptualized relationship between market orientation and performance. Nevertheless, the questions regarding what specifically makes up market orientation remain unanswered. Furthermore, to date, no research has been conducted to investigate the conditions antecedent to the genesis of market oriented behavior.

By focusing on one single component of market orientation--customer orientation--this study begins to address the paucity of research into what makes up market orientation and how market

orientation can be created and sustained. Identifying and understanding the elements influencing the creation and implementation of this individual component, customer orientation, will advance our knowledge of the larger market orientation construct.

#### A Need To Link Two Streams of Research

Interpersonal contact is a critically important element in the marketing mix of most firms. As discussed by Spiro and Perreault (1979), if this contact is not effective, revenues are lost and opportunity costs can be substantial. However, while sales training costs run well over a billion dollars annually, progress in improving interpersonal contact skills continues to be impeded by the very limited knowledge as to what factors play an influential part in encouraging salespeople to initiate and maintain effective customer contact behavior (Weitz 1981).

#### Marketing's Narrow External Focus

Empirical studies concerning sales performance levels have produced very inconsistent results as to what factors affect the sales performance and the strength of the resulting relationships (Churchill et al. 1985). Furthermore, an all too common problem in this stream of research from marketing scholars is an external focus upon consumer behavior issues. This fixation upon consumer behavior issues external to the organization has transpired at the neglect of internal organizational factors as determinants of salesperson performance. As documented by Churchill et al. (1985, p. 109), the investigation of how internal organizational factors affect the performance of salespeople has been concentrated in only a handful of studies over the last 40 years.

Marketing scholars did turn to the behavioral sciences for theoretical understanding on marketing issues in the late 1960's.



Nevertheless, marketing studies maintained a predominate focus toward improved understanding of consumer behavior issues (Deshpande and Webster 1989). Hunt (1991, p. 93) emphasizes this dominance of an external focus in marketing as he derives and develops the four fundamental explananda of marketing: (1) Buyer Behavior, (2) Seller Behavior, (3) Formation of Institutions, and (4) Consequences to Society. In discussing the second explananda, seller behavior, Hunt laments the sparse research on matters influencing sellers's behavior and cites Lutz's (1979, p. 5) observation that it is extremely unfortunate that examination of consumer behavior makes up the vast bulk of theory-based behavioral research in marketing. In Parasuraman and Deshpande's (1984) discussion of this narrow external focus of research in marketing, these two marketing scholars call for an integration of thought from the stream of research developed in organizational behavior:

It seems almost trite to note that the empirical focus in marketing management has been on marketing almost to the exclusion of management. This implies an assumption that if product and market considerations are specified accurately, internal management issues will take care of themselves. Such an almost exclusively demand-side perspective ignores the fundamentals of organizational behavior.

#### Added Potential From an Internal Focus

Just as the marketing discipline has been predominantly concerned with issues external to the organization, research streams from organizational theory and organizational behavior have been predominantly concerned with issues internal to the organization. This internal stream of research has been concerned with the influence of organizational structure and job design upon job satisfaction, motivation, and efficiency of employee performance.

The difference between the external research stream from marketing and the internal research stream from organizational behavior is depicted in Figure 1.

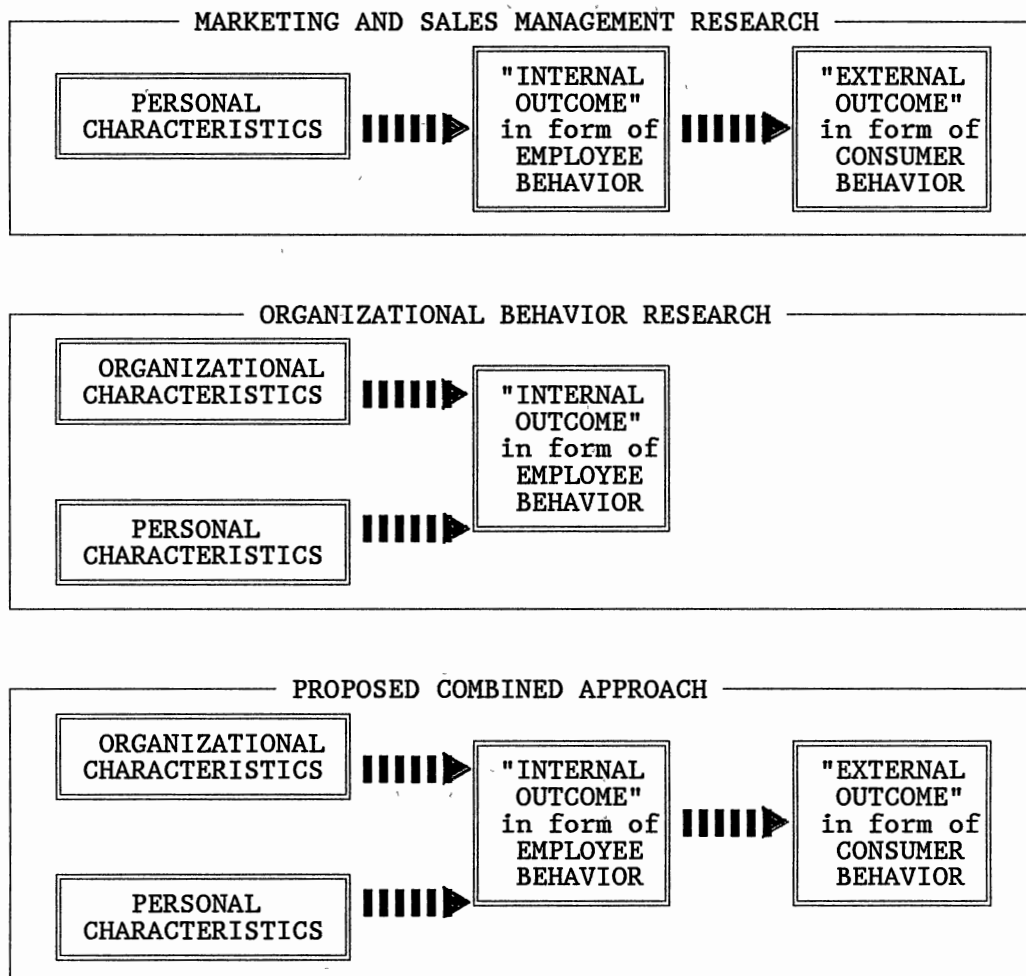


Figure 1. Comparison of Research Stream Focus

As previously discussed, marketing and sales management research has traditionally focused upon issues external to the firm: (1) The impact that personal characteristics (e.g., skill, aptitude, motivation, role perceptions) have on employee behaviors as internal outcomes, and (2) the influence employee behaviors have upon some measure of consumer behavior--external outcomes.

On the other hand, scholars in sociology, psychology, and organizational behavior have been concerned with issues internal to the firm: The influence that (1) various organizational characteristics (e.g., organizational structure, job characteristics, leadership characteristics, and work group relationships) and (2) personal characteristics (e.g., aptitude, skill, motivation, role perceptions) have on employee behavior--internal outcomes.

The position taken by this study is that a more comprehensive understanding of the total process influencing external outcomes can only develop through a blending or fusion of these two independent streams of research. More specifically, this paper posits the need to investigate the organization's internal environment--its culture--as a determinant of employee behavior and in this manner an influence on the level of customer oriented behavior of salespeople.

#### Organizational Environment: Climate and Culture

Research in the area of organizational behavior has roots going back into the literature of anthropology in the 1930's. It has since been augmented through the disciplines of sociology and psychology. As the field continued to mature, the amorphous conceptualizations of organizational psychology became more sophisticated and researchers altered their locus of attention toward the undercurrent of influence--that is, organizational climate (Litwin and Stringer 1968).

The field of organizational research continued to flourish through the 1970's. Ultimately, these research activities were formalized into

several sub-fields of management: organizational behavior; organizational theory; human resources management; etc. As the fields of organizational behavior and organizational theory continued to mature, there was a growing frustration among many management scholars with the inability of accepted views of the organization and organizational climate to produce substantial explanations. Stemming from this growing frustration--around 1980--management scholars introduced a new construct, organizational culture, into their research (Ott 1989).

### Culture Is Different Than Climate

A review of the literature indicates some confusion regarding the domains of climate versus culture. Much of the confusion results from the many definitions in use for each of the constructs. Further confusion seems to come from the close kinship of the two constructs. Although Smircich and Calas (1987) suggest culture is simply climate reborn, most researchers recognize the two as related but different concepts.

Climate is generally viewed as the popular conception of *what* goes on in the organization: the routines and behaviors, policies, practices, rewards, support and expectations that are pervasive in everyday behavior (Schneider 1985; Deshpande and Webster 1989; Schein 1990). Characterized as such, climate is the more tangible concept, lending itself to direct observation and measurement (Schein 1990, p. 109). However, climate is descriptive in nature rather than evaluative (Joyce and Slocum 1979) and is viewed as the manifestation of the underlying culture (Schneider 1985).

Culture refers to a deeper issue than climate: the norms, meanings, and values that members believe underlie the climate (Schneider 1985; Deshpande and Webster 1989). Thus culture can be seen to refer to the *why* things happen the way they do around the

organization (Deshpande and Webster 1989). Weitz and Wensley (1990) provide a rich explanation of the simultaneous difference and relationship between climate and culture stating "Only a symptom (climate) can be seen; the disease (culture) must be inferred from what is perceived."

The organizational culture school is a radical departure from the traditional systems and structural perspectives of organization theory. Rejecting the assumptions of the traditional school, organizational culture assumes that many behaviors within the organization are virtually predetermined by the patterns of shared basic assumptions existing in the organization. Preferences and behaviors are no longer controlled by formal rules and authority. Rather, they are controlled by the norms, values, beliefs, and assumptions of the culture (Ott 1989). Consequently, in order to understand or predict behavior, one must know the patterns of basic assumptions and shared values and beliefs--the organizational culture.

#### The Culture Perspective in Marketing

Most of the management research dealing with organizational culture has viewed culture from the perspective of a dependent variable. However, marketing scholars began to conceptualize the rich potential explanatory power of organizational culture as a predictor variable in the middle 1980's. Parasuraman and Deshpande (1984), Deshpande and Parasuraman (1984), and Parasuraman (1985, 1987) first conceptualized a specific type of organizational culture that would positively influence the marketing function and thus the performance of a firm. As conceptualized by these marketing scholars, this ideal culture for marketing organizations would be made up by interactive cultural (norms) and knowledge reflecting the organization's communications network. This specific culture is envisioned to influence performance due to the boundary spanning roles typically called for in selling organizations.

Parasuraman (1987, p. 45) further posits the characteristics of this culture to be highly supportive of customer oriented behavior as he asserts customer oriented culture is a prerequisite for success in the marketplace: "In a market crowded by competitors claiming to be concerned about customer satisfaction, the real winners will be the ones with a truly customer oriented corporate culture." Emphasizing the acute need for empirical study in this area, Deshpande and Parasuraman (1984, p. 137) hypothesize that organizational culture "can account for a substantial variance in marketing performance, especially the residual variance that traditional independent variables cannot explain...". Also conceptualizing the importance of a organizational culture in marketing, Payne exhorts "successful development of a marketing orientation requires a thorough understanding of the organization's existing culture..." (1988).

The significant potential for organizational culture in marketing is further evidenced in recent conceptual work from other marketing scholars. Mahajan, Varadarajan, and Kerin (1987) counsel that "...the next phase of development of strategic market planning must involve a formal integration of organizational culture issues." The Marketing Science Institute further prods research in this area asking, "What is the impact of corporate culture on a firm's market orientation and its ability to implement a market oriented strategy?" (1988, p. 7). Deshpande and Webster (1989) further take a substantial position regarding the importance of developing an understanding of organizational culture and its role in marketing management issues with an emphasis on further understanding of customer orientation.

In his 1986 work, Hofstede chastises theoreticians for the dearth of empirical work in organizational culture, stating "the message to university and corporate research departments is that, with regard to organizational culture, there is a strong need for speculating less and measuring more." Parallelling this call for moving organizational

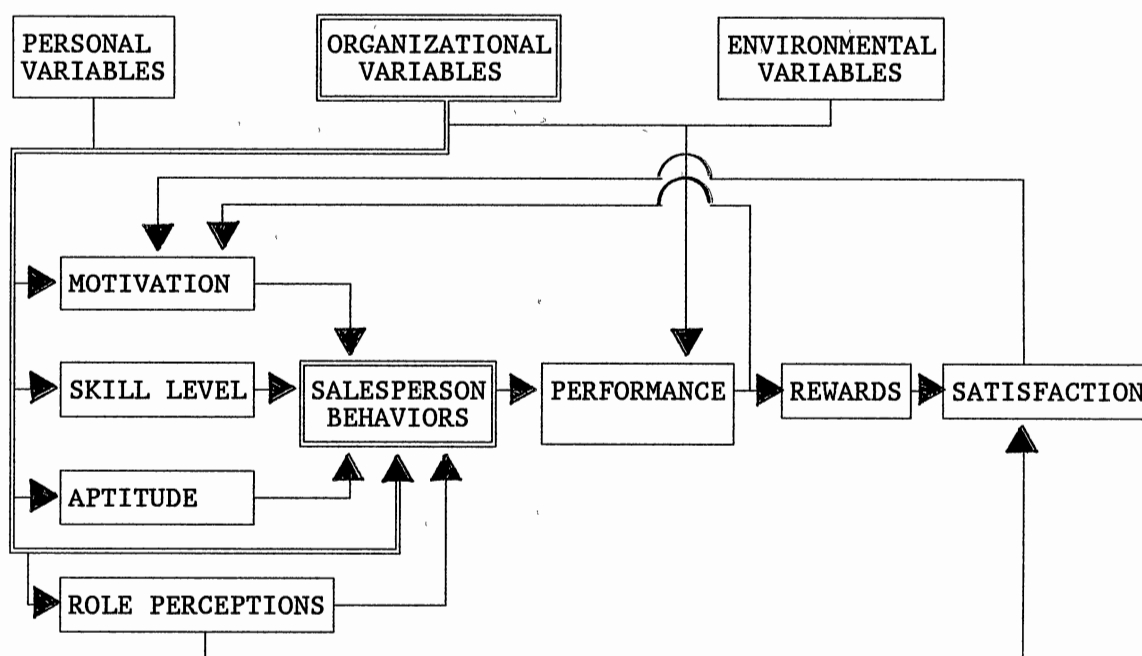
culture beyond discovery and on into justification are the calls for the need to research how a company can become customer oriented. The Marketing Science Institute (1988, p. 7) cites an urgent need for research on "developing and maintaining a customer and market focus." Following his exhortation regarding the need to understand an organization's culture in order to develop a customer orientation, Payne (1988) professes "...while the recognition of this need is widespread, there is remarkably little literature dealing with how to develop such an orientation." The plea for research in this area continues unanswered even today. In demonstrating market orientation's significant effect on performance, Narver and Slater (1989, 1990) state the most important question has become paramount: "How does one create and sustain a market orientation?"

#### Purpose of This Study

This study specifically addresses the research question: How does a firm create and sustain a customer orientation? In answering this question, this study posits and investigates organizational culture as an antecedent for the effective implementation and maintenance of customer orientation within a sales organization. As an exploratory investigation, this study is primarily concerned with the individual salesperson's perception of the predominant organizational sub-culture relevant to the selling organization as opposed to the culture of the organization as a whole.

As a type of salesperson behavior (Saxe and Weitz 1982; Williams and Wiener 1990), customer orientation bears a close correspondence to Weitz, Suja, and Suja's (1986) construct of adaptive selling. Like adaptive selling, customer orientation is a function of many variables, including personal characteristics, organizational characteristics, environmental characteristics, motivation, skill and ability, aptitude, and role perception. This relationship among the multiple influences

and their associated interactions upon the level of customer oriented behavior is illustrated in Figure 2, a synthesis of (a) Churchill, Ford, and Walker's (1990, p. 335) discussion and model of the determinants of salesperson's performance, and (b) Weitz, Sujan, and Sujan's (1986, p. 175) adaptive selling framework.



Source: Adapted from Walker, Churchill, and Ford (1977); Churchill, Ford, and Walker (1990); Weitz, Sujan, and Sujan (1986).

Figure 2. Determinants of Salesperson Behavior and Performance



Recognizing these multiple and complex influences upon customer orientation, this study is confined to investigating the single posited linkage between organizational variables--in the form of organizational culture--and the level of salesperson customer oriented behavior. Exploration of this particular linkage in the model has been neglected in the marketing literature and its explication is required in order to encourage further investigation of the various relationships posited in the complete model of salesperson behavior and performance.

In investigating organizational culture as an antecedent to customer orientation, this study first examines the domain of customer orientation. This is followed by an explication and interpretation of the behavioral construct of organizational culture. Finally, a hypotheses will be proposed and empirically examined linking the construct of organizational culture to the successful implementation and maintenance of customer oriented behavior within sales organizations. Furthermore, the particular design of this study is fashioned to increase the understanding of the posited relationship between the individual dimensions of the organizational culture construct and the customer orientation construct.

#### A Substantive Contribution

This study makes a substantial theoretical contribution to the field of marketing, and particularly the sales management literature. Existing research is extended, conceptual relationships are empirically investigated, and a major step is made in linking research from organizational behavior to marketing management.

#### Customer Orientation

This study extends previous concepts of customer oriented behavior to include a broader interpretation of the domain of this construct. A direct result of this extension will be a scale, having proven levels of

reliability and validity, for measuring the customer oriented behavior of salespeople. This scale provides a vehicle for the identification, study, and understanding of the antecedents and determinants of customer oriented behavior. As the customer orientation of a firm is a direct function of the customer orientation of its individual employees, identification of conditions favorable to individual customer orientation will bring about a richer understanding of how a firm can better implement customer oriented strategies and encourage customer oriented behavior.

### Organizational Culture

This study borrows the concepts of organizational culture from the organizational behavior literature to posit and investigate the existence and characteristics of a specific type of organizational culture that is supportive of customer orientation. Based upon theory and investigation from the fields of organizational behavior and organizational theory, a scale is developed with a marketing perspective to measure the construct of organizational culture. The advent of this marketing based scale brings about a better understanding of the dimensions of organizational culture and encourages the further study of determinants and consequences of an organization's culture on marketing performance.

### Relationships Between Organizational Culture and Customer Orientation

An investigation is conducted across multiple industry types to investigate the relationship between organizational culture and customer orientation. A direct result of this investigation is the determination and documentation of the dimensions of organizational culture and their relationship with a firm's customer orientation. The increased understanding resulting from this study provides answers regarding how a firm can better develop and maintain a customer orientation.

In summary, this study develops and tests a theory relating organizational culture to the level of customer oriented behavior. This theory suggests that a significant amount of variance in the level of salesperson's customer orientation is explained through the type of organizational culture perceived to exist within the organization.

#### An Outline of the Dissertation

This dissertation is organized into six distinct chapters. As an introduction to the dissertation, the first chapter reviews the scope, nature, and purpose of this study. The second chapter explicates the constructs of customer orientation and organizational culture. Further discussion develops the posited theoretical linkage between customer orientation and organizational culture. Chapter three develops the objectives for investigation and reviews the research methodology to be utilized in carrying out the study. The research results from the development of measures for (a) organizational culture and (b) customer orientation constructs are detailed in chapter four. Having explicated the dimensionality of the organizational culture construct throughout the scale development research in chapter four, chapter five specifies the nature of the relationship between organizational culture and customer orientation through the development of certain hypotheses. In addition to generating the relational hypotheses, chapter five reviews the results of testing these hypotheses. Chapter six presents the study results in light of their marketing management implications along with limitations of this study to be addressed in further research.

## CHAPTER II

### LITERATURE REVIEW

#### Customer Orientation

Achieving and maintaining a strong customer orientation is seen as the central most factor in the market concept (Felton 1959; Webster 1981; Crosby and Evans 1989; Kohli and Jaworski 1990). Indeed, Narver and Slater (1989, 1990) argue that customer orientation is one of three behavioral components of the market orientation construct they utilize in order to operationalize the construct, marketing focus. The results of their study support a significant positive relationship between customer orientation and the performance criterion variable. As a key component of market orientation and with empirical support for a positive relationship between customer orientation and performance, an imperative is given for research designed to better understand this construct.

Customer orientation is defined as a philosophy and a behavior directed toward determining and understanding the needs of the target customer and adapting the response in order to satisfy those needs better than the competition, thereby creating a competitive advantage (Saxe and Weitz 1982; Narver and Slater 1989; and Marquardt 1989). Indeed, Crosby and Evans (1989) posit that the whole of "marketing should be viewed as an ongoing relationship between the customer and company that strives to achieve mutual satisfaction."

Despite the pervasiveness of the customer orientation concept throughout the marketing discipline, conceptualization and study of the construct varies across the sub-disciplines of marketing. Most of the

research in the area of customer orientation has traditionally been conducted by scholars in sales management. Nevertheless, rapidly expanding streams of research in (1) quality and (2) services marketing are providing additional insight in the area of customer orientation.

#### A Sales Management Perspective

Sales management literature began to emphasize the advantages of satisfying customer needs in the early 1900's. Strong (1925) referenced the intuitive positive influence on performance resulting from a focus on the satisfaction segment of the "want--> solution--> action--> satisfaction" sales paradigm. Strong's proposition was based upon three theories of purchase behavior: (1) situation response, (2) appeals response, and (3) the dynamic nature of man. In developing his assertion of relationship, he emphasizes that the combined effect of the three theories sensitizes the human mind and heightens the speed and the level of awareness when there is an associated need or want. While Strong laid a foundation for understanding the direction of affect in customer oriented selling, his work did little to assist the establishing of the overall domain of the customer oriented construct.

Reiser (1962) documents the rise of customer oriented selling from the early 1950's. Reiser proposes customer orientation as being composed of seven primary characteristics:

1. Focusing on customer needs rather than seller needs.
2. Tailoring product to the needs of customer.
3. Having knowledge of customer's business.
4. Communicating customer needs back to company.
5. Developing customer, product, and company knowledge.
6. Utilizing "soft-sell" rather than domination.
7. Building long-term relationship.

Many of Reiser's items also appear in the domain definition that is put forward by Gwinner (1968) in his discussion of sales strategies. Gwinner sets forth six qualities of customer orientation:

1. Easy going.
2. Friendly.
3. Utilizes two-way communication.
4. Builds long-term relationships.

5. Focuses on problem solving.
6. Orients himself to customer interests.

In Effective Selling Through Psychology, Buzzotta, Lefton, and Sherberg (1972) use dimensional analysis to break out the domain of customer orientation. Their analysis exposed ten characteristics:

1. Inquisitive and analytic in discovering the needs of customer.
2. Behavior is understanding rather than overpowering.
3. Tendency to be results oriented.
4. Actively involves the customer.
5. Listens and understands what is said.
6. Questions in order to derive underlying facts.
7. Takes time to explain how product addresses need.
8. Easily adapts to changing needs and demands from customers.
9. Builds a relationship and is viewed as being trustworthy by customer.
10. Fulfills the role of a skilled professional.

In their treatise on influence use by salespeople, Spiro and Perreault (1979) set forth interpersonal communication as an important characteristic of customer orientation versus selling orientation. This need for interpersonal communication is also stressed by Blake and Mouton (1980) within their nine distinctive elements of customer orientation:

1. Has concern for customer...is a friend.
2. Understands and responds to needs, feelings, and interests of customer.
3. Builds a personal bond with customer.
4. Uses extensive consultation to be informed of needs.
5. Works for a sound purchase decision based on customer benefits.
6. Flexible in scheduling time, available when needed.
7. Emphasizes service before, during and after sale.
8. Has a positive personality.
9. Actively participates and involves customer, but is not perceived as being dominating.

Saxe and Weitz (1982) integrated these prior research findings with a series of interviews to develop a comprehensive list of attitudes and behaviors common in customer orientation. The information gleaned from this combination was then factor analyzed to provide six characteristics of customer orientation:

1. A desire to help customers make satisfactory purchase decisions.
2. Helping customers assess their needs.
3. Offering products that will satisfy those needs.

4. Describing products accurately.
5. Avoiding deceptive/manipulative influence tactics.
6. Avoiding the use of high pressure.

These dimensions posited by Saxe and Weitz (1982) were incorporated into a scale (SOCO) measuring the customer orientation of salespeople. Subsequent replication and usage of this scale has provided corroboration for Saxe and Weitz' conceptualization of the domain of customer orientation (Michaels and Day 1985; Williams and Wiener 1990). As a result of Saxe and Weitz' (1982) incorporation of prior conceptualizations of the customer orientation construct into their rigorous scale development methodology and the ensuing support of their conceptualization, their explication of the customer orientation construct and the resulting scale offers researchers a strong foundation for further investigation of the customer orientation construct.

#### A Services Quality Perspective

The very nature of services require some form of interaction with consumers. The direct involvement of the customer in the services experience elevates customer satisfaction in the exchange process to a highly salient position for service marketers. Services scholars studying customer satisfaction have pushed customer orientation to the forefront as a characteristic consistently identified as being crucial to the success of service organizations (Lovelock and Young 1979; Grönroos 1980, 1983; Bell 1981; Parasuraman, Zeithaml, and Berry 1984, 1988; Parasuraman 1985, 1987; Schneider and Bowen 1984).

Service researchers (Fisk 1981; Grönroos 1985) discuss the service encounter as a dyadic relationship having two facets which interact to result in an evaluation of satisfaction/dissatisfaction:

- |                  |   |
|------------------|---|
| (1) Functional - | the end result or the outcome.          |
| (2) Process -    | the manner in which they are performed. |

These service marketing scholars further posit that the perceived level of "functional" satisfaction can be affected by satisfaction with the

"process," but that "process" satisfaction levels cannot be influenced by "functional" satisfaction. This influential characteristic of "process" over "functional" satisfaction underscores the significant role played by a firm's personnel who come into contact with the customer and suggests that these customer contact personnel play a very pivotal role in implementing and sustaining the customer orientation of a firm.

Expanding the twin concept (function and process) of how a customer evaluates a service encounter, Parasuraman, Zeithaml, and Berry (1984, 1988) provide a richer investigation and conceptualization of the makeup of services evaluations. This conceptualization originally identified ten dimensions of service quality. Subsequent research by these authors has been further supported through numerous replications and combines these original ten dimensions into five separate dimensions upon which consumers evaluate services:

- |                     |   |
|---------------------|---|
| 1) Tangibles -      | Appearance of physical facilities, equipment, personnel and communication materials.  |
| 2) Reliability -    | Ability to perform the promised service dependably and accurately.                    |
| 3) Responsiveness - | Willingness to help customers and provide prompt service.                             |
| 4) Assurance -      | Knowledge and courtesy of employees and their ability to convey trust and confidence. |
| 5) Empathy -        | Caring, individualized attention the firm provides its customers.                     |

Indeed then, if (1) these dimensions are representative of the evaluation criteria used by consumers of services, and (2) customer oriented behavior must effectively consider and address the customer's relevant evaluative criteria, then it seems a logical step to include them as dimensions of customer orientation.



### An Expanded Perspective

Despite the valuable contributions from marketing scholars toward enumeration of the domain of customer orientation, recent investigations indicate that these prior specifications are not without limitations. Narver and Slater (1989, 1990) assert the domain of customer orientation to include the following six components:

1. Commitment to the customer
2. Creation of value for the customer
3. Understanding customer needs
4. Having customer satisfaction as an objective
5. Measurement of customer satisfaction
6. Offers products based on customer needs

Despite the close similarity of these six components and prior conceptualizations of the domain of customer orientation, Narver and Slater's inclusion of item 5, the measurement of customer satisfaction, represents a new addition to the domain of customer orientation. Further potential for broadening the customer orientation domain results from the relationship management approach in sales management literature.

In their discussion of the important part played by interpersonal relationship management in the personal selling process, Coppett and Staples (1990) and Manning and Reece (1990) make a strong case for the need to make certain additions to the domain of customer orientation. Among the service augmentation and boundary spanning roles that are not explicitly included in prior conceptualizations of customer orientation are:

1. Follow-up post-sale activities
2. Adoption of a double-win philosophy
3. Represent the customer to the company before, during, and after the sale.

Follow-up Post-sale Activities. Post-sale service activities are required to assure customer satisfaction. Although these post-sale activities certainly include Narver and Slater's component of evaluating customer satisfaction, these activities are much broader and include

services provided after the sale designed to enhance customer evaluation and satisfaction. As pointed out by Levitt (1983, p. 117-118) and Manning and Reece (1990, p. 419), people buy expectations, not things. Once the customer buys, the expectations increase and often place the salesperson in a debit role as perceived by the customer. Proper action taken by the salesperson can work to assure that the transaction meets these increased expectations. Oftentimes a thank you call is all that is required. However, when problems do develop, the customer oriented salesperson accepts responsibility and works to resolve the problem-- blame is not shifted to others.

Adoption of a Double-Win Philosophy. To be successful in building the relationships required in customer oriented selling, the salesperson must adopt the philosophy that both the customer and the company should win as the result of a successful sale. Customers do not want to be sold or manipulated. They want to be understood and satisfied. When both parties come out of the sale with a sense of satisfaction, the stage is set for a long-term relationship (Miller and Heiman 1985, p. 60).

Represent the Customer to the Company. In explicating the unique characteristics of the sales job, Dubinsky et al. (1986) discuss the multiple roles often played by salespeople. In the role of a boundary spanner, the salesperson must not only represent the company, but also the customer as well as himself. Balancing this requirement of multiple and simultaneous representation is key to building the trust and credibility that leads to positive relationships and customer oriented selling behavior.

As the only scale for measuring customer orientation possessing known levels of reliability and validity, the Saxe and Weitz (1982) SOCO scale has certainly provided a valuable step toward improved understanding of customer orientation. However, in light of the above

arguments for a broadened domain of customer orientation, examination of Saxe and Weitz's domain of customer oriented behavior reveals an emphasis on the transaction portion of the personal selling process. This transaction orientation neglects the service augmentation and relationship management required of customer oriented behavior. Accordingly, the domain of customer oriented selling behavior as included in the SOCO scale is understated.

The expansion and full specification of the domain of customer orientation to include these additional elements is a requirement for the reliability and validity of any scale purporting to measure the customer orientation construct. Consequently, one of the objectives of this study will be to extend the SOCO scale (Saxe and Weitz 1982) to include the broadened domain of customer orientation.

### Organizational Culture

Research in organizational culture from sociology and organizational behavior suggests the shared value or organizational culture concept as a potential key to the problem of successfully implementing customer orientation. Nevertheless, little research has been done incorporating organizational culture into the marketing discipline (Parasuraman 1985, 1987; Deshpande and Webster 1989).

Sporting theoretical lineage from anthropology, sociology, and cognitive psychology, the study of organizational culture has become the focal point of organizational research (Ouchi and Wilkins 1985). Most of the existing work is qualitative in nature. Nevertheless, as the result of scale development work beginning in the late 1980's, empirical analysis of organizational culture has entered the early stages of evolution (Cooke and Rousseau 1988). This new level of inquiry into organizational culture--its antecedents and its affects on performance--promises to become a rich field for research in the 1990's.

### What is Organizational Culture?

Organizational culture's adolescent stage of development has been characterized by a lack of precision and rigor (Wiener 1988). As explicated by Cooke and Rousseau (1988), even the definition of organizational culture has defied explicit denotation (See Table 1). Using these (Table 1) and other proposed definitions of the organizational culture construct, Smircich (1983, pg. 344) provides a more comprehensive and integrative definition:

Culture is usually defined as social or normative glue that holds an organization together (Siehl and Martin 1981, Tichy 1982). It expresses the values or social ideals and the beliefs that organization members come to share (Louis 1983, Siehl and Martin 1981). These values or patterns of belief are manifested by symbolic devices such as myths (Boje, Fedor, and Rowland 1982), rituals (Deal and Kennedy 1982), stories (Mitroff and Kilmann 1976), legends (Wilkins and Martin 1980), and specialized language (Andrews and Hirsch 1983).

A common thread running through the definitions of culture is that there is a central core of shared values that become a strong central value system. Rokeach (1973) defines values as "...an enduring belief that a specific mode of conduct or end state is preferable to an opposite or converse mode of conduct or end state of existence." As such, values are forms of beliefs, and as they increase in their level of sharing, they become internalized normative beliefs that act as guides to behavior. When these normative beliefs are shared across the organization, a central value system exists--the culture of the organization (Wiener 1988).

Cooke and Rousseau (1988) further characterize the central value system--the organizational culture--as having two key attributes. These attributes are represented as direction and intensity. Direction refers

TABLE 1  
SELECTED DEFINITIONS OF ORGANIZATIONAL CULTURE

---

Kroeber and Kluckhohn (1952)	Transmitted patterns of values, ideas, and other symbolic systems that shape behavior.
Becker and Geer (1970)	Set of common understandings.
Van Maanen and Schein (1979)	Values, beliefs and expectations that members come to share.
Swartz and Jordon (1980)	Pattern of beliefs and expectations shared by members that produce norms shaping behavior.
Ouchi (1981)	Set of symbols, ceremonies and myths that communicate the underlying values and beliefs of the organization to its employees.
Louis (1983)	Three aspects: (1) some meaning and interpretation (2) peculiar to (3) a group.
Martin and Siehl (1983)	Glue that hold together an organization through shared patterns of meaning. Three component systems: context or core values, forms or process of communication, strategies to reinforce content.
Uttal (1983)	Shared values (what is important) and beliefs (how things work) that interact with an organization's structures and control systems to produce behavioral norms (the way we do things around here).

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Adapted from: Cooke, Robert A. and Denise M. Rousseau (1988), "Behavioral Norms and Expectations: A Quantitative Approach to the Assessment of Organizational Culture," Group and Organizational Studies, 13 (September), 245-273.

to the content of the culture such as values and behavioral norms. Intensity represents the strength of the culture and is composed of two sub-components: (a) the degree of consensus among members concerning the shared values and (b) the strength of linkages among expectations, rewards, and behaviors. These sub-components are analogous to the valence and instrumentalities of expectancy theory (Vroom 1964).

### Dimensions of Organizational Culture

Scholars agree in the conceptualization of organizational culture as a multidimensional construct. Consensus is lacking, however, as to what and how many dimensions are to be included. The high degree of conceptualization and lack of empirical research in the field continue to sustain the various conceptualizations of the dimensions of organizational culture.

As discussed earlier (pp. 7-9), a close relationship exists between organizational climate and organizational culture, with climate seen as the resulting manifestations resulting from the underlying culture of the organization. This immediate and dependent relationship between climate and culture would intuitively support the examination of climate literature for clues to the dimensions of the underlying concept of organizational culture, that is, the dimensions of climate should mirror the dimensions of culture.

In a comprehensive review of published measures of organizational climate, Campbell et al. (1970) identify four dimensions common to all instruments:

1. Structure of the organization
2. Individual job autonomy
3. Consideration
4. Rewards

Investigating the affect of organizational climate on organizational effectiveness, Toto (1986) conceptualized four dimensions of organizational climate. These are as listed below:

1. Performance standards.
2. Rewards and recognition.
3. Development of human resources.
4. Formal support systems.

Tyagi (1982) examined how organizational climate influences the process of salesperson motivation. In this investigation, Tyagi asserts that the four commonly identified dimensions of organizational climate are:

1. Organizational characteristics
2. Job characteristics
3. Leadership characteristics
4. Work group characteristics

As an early proponent of organization culture, Schein (1985) posits organizational culture as a complex pattern of beliefs and expectations shared by members of the organization. He proposes six dimensions to the construct, including:

1. Observed behavioral regularities
2. The norms throughout the organization
3. The dominant values held by an organization
4. The philosophy that guides policy toward employees and customers
5. Rules of the game for getting along in the organization
6. The feeling or climate conveyed within the organization

In a study designed to portray the dominant cultures of a firm, Reynolds (1986) conducted a content analysis of the prominent researchers in organizational culture and found conceptual support for fourteen dimensions of organizational culture. The fourteen dimensions of culture advanced by Reynolds are shown below:

1. External vs. internal orientation
2. Task vs. social emphasis
3. Predisposed toward safety vs. risk
4. Focus on conformity vs. individuality
5. Rewards based on individual vs. team contributions
6. Individual vs. collective decision making
7. Ad hocery vs. systematic planning
8. Focus on stability vs. innovation
9. Cooperation vs. competition among fellow workers
10. Simple vs. complex organizational structure
11. Informal vs. formal procedures
12. Centralized vs. decentralized decision making
13. High vs. low loyalty
14. Intrinsic vs. extrinsic commitment

Typical of most immature spheres of research, organizational culture is characterized by an abundance of qualitative "discovery" and very little "justification." However, from the above conceptualizations explicating the domain of organizational culture, it appears that organizational culture is a multi-dimensional construct with each dimension having multiple components.

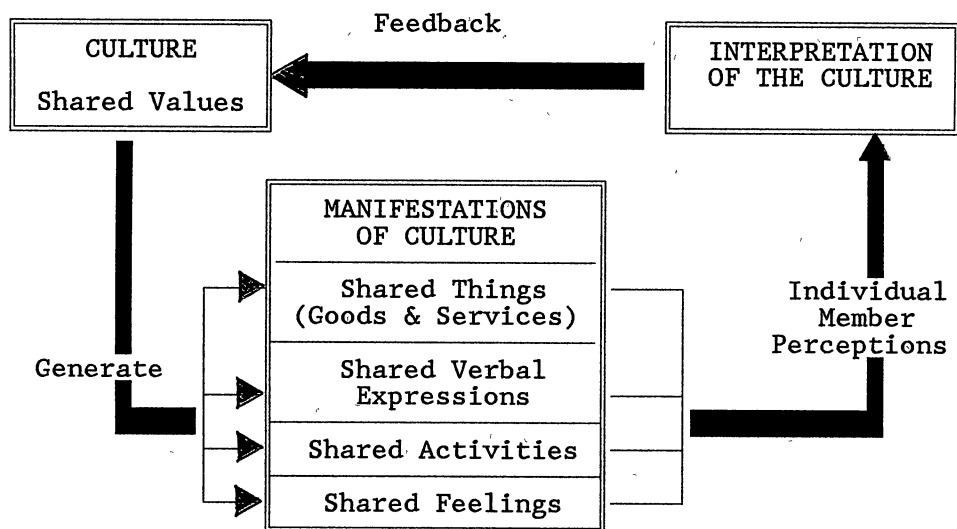
### The Dynamics of Organizational Culture

Culture is dynamic. The shared values of culture act as norms and thus configure the behaviors of the culture's members. These same behaviors, in turn have an affect upon the culture. Within the culture, members develop shared beliefs, values, actions, and expectations. As illustrated in Figure 3, these shared abstractions are further perceived by members and used to infer meaning and interpret the culture (Sathe 1983, Hellriegel, Slocum, and Woodman 1989).

Viewed in this manner, culture establishes norms that influence and guide individual behavior. These individual behaviors are shaped by the organizational culture and in turn influence the culture itself through the feedback loop. The shared values of the culture are a set of cognitions shared by the members of an organization (Geertz 1973, Smircich 1983, Cooke and Rousseau 1988). Weick (1979) refers to these shared cognitions or values as the "enacted environment" arguing that individuals develop this organized/shared view of the world in order to reduce uncertainty. Further explicating this view of the origin and nature of culture, Schein (1985) suggested that organizational culture forms as a response to two generic problems that confront every organization and its members.

The first of Schein's generic problems is that of "external adaption and survival." How to best find a place within and cope with an ever changing external environment. Second is the problem of "internal integration." Here the concerns of establishing and





Adapted from: Sathe, Vijay (1983), "Implications of Corporate Culture: A Manager's Guide to Action," Organizational Dynamics, 12 (Autumn), 5-23.

Figure 3. The Nature of Organizational Culture

maintaining effective relationships among members of the organization. As individual members address these two generic problems through the sharing of knowledge and conjecture they discover methods of dealing with the key problems. As these tactics become further validated as effective responses and coping mechanisms for dealing with the problems, they are passed on to new members through the socialization process of the organization...both formally and informally.

This simultaneous and mutual influence of (1) the individual's values, beliefs, and behaviors upon the norms of the organization, and (2) the influence of the group norms (values, beliefs, and behaviors) upon those of the individual is further supported by group development theory.

#### Group Development Theory

Researchers studying group development (Tuckman 1965; Bales 1970; Tuckman and Jenson 1977) assert that group development is a dynamic process resulting from the interaction of two flows of influence. First the individual (micro-environment) factors influence and thus account for the group (macro-environment), and (2) that the reverse is also true--that influence flows from the macro-environment to the individual level processes.

#### Individual to Group Flow of Influence

Cultural processes are the result of aggregate personal processes. Culture and its associated macro-characteristics can be explained as the aggregated results of individual members acting according to the laws of social psychology. Culture is something that is learned, shared, and dynamic over time...the result of social interactions between individuals and other individuals, between individuals and groups, and between groups and groups.

The phenomenon of personal motivation influences individuals to join and/or stay in groups. The choice to join a work group is not always the decision of the individual. However, the decision to stay or leave is ultimately up to the individual. Consequently, one can argue that membership within groups is elective. Individuals choose to join, participate, and remain within groups according to personal level perceptions, involvement, and motivations toward the satisfaction of personal needs. These individual needs parallel the personal motivation factors of security, esteem, belonging, affiliation, power, and achievement described by Maslow and McClelland. (Hellriegel, Slocum, and Woodman 1989).

For these reasons, the individual joins a group bringing with a personal package of individual level phenomenon. In accordance with these individual motivations, personality traits, learning abilities, experiences, beliefs and attitudes, the individual interacts with other group members. Within these various interactions, one will find information processing, cognitive learning, operant conditioning, personal influence, and involvement at the individual level occurring as the group process of socialization. Socialization melds the individual phenomenon into the group level phenomenon of norms and roles of the group along with group personalities, expectations, motivations, experiences, beliefs and attitudes. As aggregations of individuals, these groups then begin to join with and interact with other individuals and groups resulting in further aggregation of the phenomenon.

As a direct result of this group development, the personal phenomenon of the individual becomes a macro-level phenomenon of the group manifested within the group norms and roles. Groups think and make decisions; groups vary in motivation, experience, and involvement levels; furthermore, groups can be seen to possess other phenomenon such as attitudes, personalities, and even self concepts. However, groups are more than the simple sum of their parts--the process of socializ-

ation results in a certain degree of homogenization of the individual level phenomenon as they become group phenomenon. Even so, the common seed for these group and higher level macro phenomenon is the individual.

Group development theory thus holds the key for understanding how personal phenomenon influence and shape the macro-level phenomenon--organizational culture. A number of writers (Tuckman 1965 and Bayles 1970) have dealt with the issue of group development and describe five stages of group development: forming, storming, norming, performing, and adjourning. It is within these stages that personal factors begin to influence and even form what will eventually become the group or organizational culture.

Forming. In this initial stage, the individuals interact in order to size up the differing motivations and personalities coming together and to assess the personal benefits relative to the personal costs of being involved in the group. In this manner, learning takes place with resultant beliefs and attitudes being formed.

Storming. Differences in personalities, motivations, beliefs and attitudes give rise to conflicts in this stage. Things tend to get serious as roles begin to be overtly and covertly assumed and played out. Interpersonal attractions and the varied personal motivations result in the formation of beliefs and attitudes dealing with the perceived importance of belonging to the group and thereby altering these individual characteristics toward a group norm.

Norming. Cognitive learning and certain operant conditioning principles reinforce the advantages in staying in the group. Through interaction of individuals and personal influences growing from the group structure, certain compromises and adjustments are made. Roles are sorted out and cooperation becomes the dominant theme bringing about formation of and changes in beliefs, values and attitudes in this stage.

As a result of the positive relations behavior exhibited in this phase, the group begins to establish the rules by which it will operate--norms are developed. These norms grow out of the personal motivations and needs along with the compromises and adjustments made by the individuals and are the seedlings of what will grow into culture as the result of additional aggregation of smaller groups into larger groups.

Performing. Once norms are in place, sanctions are developed to enforce compliance and at the same time allow for the updating or changing of norms to keep in tune with the group needs and desires. These changes in norms are seen to occur from within as member needs change and as new members are added.

Norms are not stable, but rather dynamic and changing. Humans are capable of cognitive thought and planning. As time passes, situations change, learning occurs and new beliefs and attitudes come forward. This results in changes in the norms. Also new individuals are brought into the group--each with his own motivations, personalities, experiences, beliefs, and attitudes. Norms also change as these new elements are brought into the interaction of the individuals in the group.

Adjourning. Adjourning occurs as the result of the group's failure to adjust (in the stage above) to member needs or is absorbed into a different group causing it to lose its identity and social influence.

Using the schema of group influence illustrated by both Loudon (1984) and Wilkie (1986) serial aggregation takes place along the same five steps as developed above for group development. Individuals are joined together in smaller groups. These small groups join together to form larger groups or classes which in turn join to form subcultures. Finally subcultures aggregate to form a wider overall or global culture. All have their common beginning in the individual and his or her

personal factors at the micro-level. However people within each of these groups tend to associate more with one another and less with others (Weber 1946). In this way each group tends to exhibit its own dynamic personal characteristics of motivations, personalities, experiences, beliefs and attitudes, each of which had a common beginning in the interactions of the personal factors of the individual group members.

#### Group to Individual Flow of Influence

Macro-level phenomenon such as culture and subculture influence and explain the personal characteristics of motivation, personality, learning, beliefs and attitudes of the individual. This direction of influence is illustrated in Figure 4.

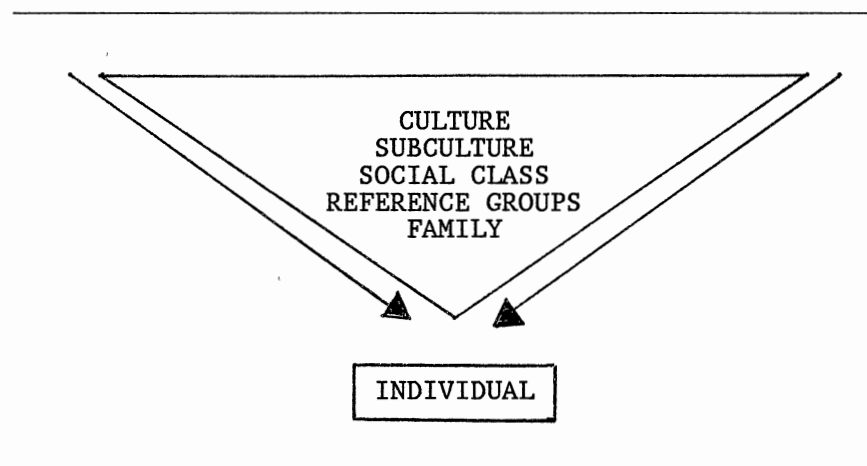


Figure 4. Group Influences on Individual Behavior

The more commonly accepted and discussed nature of culture's influence on the individual is characterized by subcultures that arise within the overall culture due to various difference factors. In turn Social classes are stratified at a lower level and within subcultures, followed in order by reference groups and the family. Finally, the effect of culture is passed on to the individual as a result of the influence of each level of these macro-environmental factors.

Each level of social influence (Figure 4) shares the trait of being a group. Whether it is a reference group, a primary group, a formal or even informal group, as a group it holds specific properties in common: norms, and roles. It is through these norms and roles that the influence of culture passes to the individual.

Norms. Individual behaviors combine and evolve into a sharing of information, acceptance of different opinions, and positive attempts to reach mutually agreeable decisions toward group behavior. These become norms--mutually accepted rules of behavior for group members--and effect the behavior of the group and the individuals within the group. Thus it is through the learning and adjusting process that takes place through the enculturation of existing members and the acculturation of new members that the macro-environmental factors influence the individual factors.

In addition to this normative influence upon the individuals personal motivation, personality, learning, beliefs, and attitudes, the group also influences the individual through informational influence and value expressive influence. Informational influence comes through the groups providing important information that influences the individual. Value expressive influence occurs when the individual is prejudiced by the known values and attitudes of the group.

Roles. Similar to norms, roles are the agreed upon behaviors required by different positions in the group. Here again normative

pressures from the group influence and restrict the personal elements of the individual.

The degree of attractiveness the individual has for the group acts in combination with the degree the individual wants to be liked by the group to determine the level of influence on the individual. The higher this perceived importance, then the more influence the macro-environment will have on this individual's motivations, personality, learning experiences, beliefs attitudes, and behaviors.

#### An Interactive - Two Directional Flow

Clearly, neither of the situations presented above, could by itself, present the true nature of the relationships between the macro-environmental elements of culture, subculture and reference groups with the micro-level individual factors of motivation, personality, learning, beliefs and attitudes. In reality it takes a combination of these two prior situations to more fully explicate this relationship. The dynamic nature of this interaction results in influence flowing in a multi-directional pattern. Within this multi-directional flow of influence, macro-environmental phenomenon impact and influence the personal phenomenon while personal phenomenon have a simultaneous impact and influence upon the macro-environmental phenomenon. This more pragmatic view of a dynamic and complex interaction can be illustrated by adapting the original Peter and Olsen (1987) depiction of cultural influences on the individual. This adaptation, as is presented in Figure 5, would exhibit the more realistic multi-directional flow of interaction and influence.

Viewed from within the model of organizational culture (Figure 3, p. 29), this interaction perspective from group development theory explains (1) how the macro-environment of culture and subculture are formed, (2) how this macro-environment changes over time due to influences from the group and influences from the individual, and



(3) how the macro-environment influences the individual. At each step in the process of aggregation, each larger group is made up of a number of smaller individual groups or individuals. The learning (cognitive and operant) that takes place through the effects of personal influence and socialization in the lower sub-component group or individual yields a homogenized combination or aggregate effect of group phenomenon that are manifested within the roles and norms of group process. As homogenized and aggregated individual level characteristics, these roles and norms are the motivations, personalities, experiences, and attitudes of the group--as these are shared they become the culture of the group or organization. Thus the macro-environment phenomenon share the same make-up and characteristics as the individual elements that ultimately came together to form them.

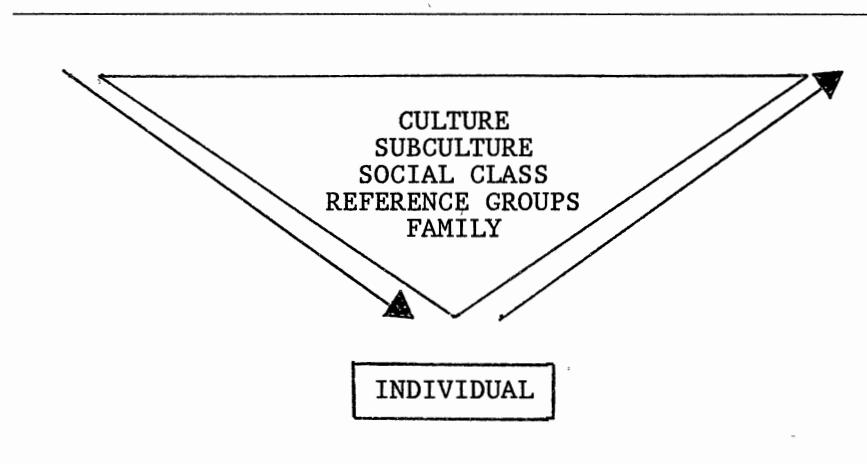


Figure 5. Cultural Influences - Individual Influences

Within the socialization process, learning is taking place through enculturation and acculturation of members--individuals and groups. As social influence and compliance procedures bring individual behavior in line with norms, the influence from the macro to the micro is evidenced. It is this influence from macro to micro that explains the role that management can play in guiding the development of culture.

#### The Role of Management in Culture

The view of culture as a dynamic and circular function implicitly includes the maintenance of the culture through the process of socialization. Nevertheless, the full representation of culture maintenance is more complex than this rather simplistic process of evolution implies. As illustrated in the earlier model of culture (Figure 3, p. 29), there are implicit influences upon culture by managerial actions. In addition to the implicit maintenance of organizational culture through the internal socialization and adaptation process, organizational culture scholars assert the following six explicit managerial methods of reinforcing the culture of the organization (Sathe 1985; Sethia and Von Glinow 1985; Kerr and Slocum 1987; Beyer and Trice 1987; Hellriegel, Slocum and Woodman 1989):

Fit Between Individual and Organization. This reinforcement method deals with the congruence between the values of an individual and the shared values of the organization...the culture. Inherent in this method is the recruitment, hiring and promotion of individuals who possess personal values corresponding to those of the culture. Conversely, this also concerns the acculturation or removal of individuals with a poor fit. A good match between the individual's cultural values and the organizational culture is seen as a key factor in boosting the organizational culture.

What Managers Pay Attention To. Seen as a powerful reinforcer and method of cultural maintenance, the things that get noticed and commented on send strong signals to members as to what is important and what is expected of them. Analogous to modeling or vicarious learning, members develop patterns of behavior based on what they see is important to supervisors. Consequently, if management wants to encourage a specific type of behavior--customer orientation--managers should purposefully take notice when this specific behavior occurs and make positive and encouraging comments about the behavior. This not only reinforces future types of behavior from the individual member receiving the encouragement, but it also sends strong signals to other members who observe the behavior of fellow members and the attention the behavior receives from management.

Reactions to Critical Incidents. When the organization faces a crisis, the way management approaches and deals with the problem sends strong signals regarding the culture of the organization. Management's reaction to critical incidents can reinforce the existing culture or bring about a change in the culture through the creation of new norms and expectations. Crises represent events that arise and challenge the existing culture of the organization. When management answers this challenge--deals with a problem--in a way predicted or called for by the existing culture, the culture becomes stronger. However, if management reacts in a way that is outside the culture, members receive a signal that the culture has been modified. Oftentimes, management reactions outside what is called for by the culture results in mixed signals that are not readily interpreted by members. In these cases, management should communicate the reasons for their actions and any changes that have occurred in the acceptable norms.

Teaching and Role Modeling. Vicarious learning occurs within the organization as employees model the behavior of managers, supervisors

and significant others. The primal role of communication is apparent as additional culture can be passed through the inclusion of culture in formal training and day to day direction on the job.

Allocation of Rewards. A close relationship exists between the reward practices of an organization and its culture, with the reward system being seen as one of the more effectual mechanisms for arousing organizational culture. This strong relationship is posited to exist through the rewards and punishments attached to certain behaviors. These rewards and punishments provide salient signals to members regarding priorities and values of the organization.

Organizational Ceremonies. Many of the beliefs and values of an organization's culture are expressed and reinforced through ceremonies and rites practiced in the organization. Extending this concept, many of the activities of management can become construed as rites and ceremonies that members interpret as part of the organizational culture.

These culture reinforcers provide a managerial perspective on establishing, directing and maintaining the culture of the organization. As such they illustrate how the culture of an organization is highly interrelated to all aspects of the organization, including structure, management style, and performance. As management uses these methods to influence culture, the culture of the organization begins to take on characteristics specific to the organizational unit. If management has indeed taken an active part in guiding the development of the various cultural characteristics, the culture can act as a catalyst toward the mission and objectives of the organization. On the other hand, if management has neglected the development of culture, the resultant culture may very well be counter-productive to the organization's goals, objectives, and strategies.

### A Single Best Culture?

While many differing views are offered regarding the concept of organizational culture, two assumptions remain constant in the literature: First, that every organization has a culture, and second, that there is no one ubiquitous and best culture.

Bettinger (1989) echoes other researchers in organizational theory, stating that every organization has a culture that is reflected by the behavior patterns within the organization. These patterns develop along both formal and informal lines as members interact and join together. The key for management is to recognize and manage the culture so that it becomes a positive force in the accomplishment of organizational objectives. The real challenge for management is to strategically manage the organization's culture in order to tap the strengths of the culture. By tapping these strengths and utilizing culture as a strategic management tool, management will better enable the organization to achieve superior performance.

There are no good or bad cultures. Strong shared values and goals make an organization efficient. Consequently, a good culture can be any form of culture that reinforces the missions and strategies of the organization (Ouchi 1980; Wallach 1983; Arogyaswamy and Byles 1987). An effective and efficient culture is the culture that is appropriate to the needs of the business, the organization, and the employees (Wallach 1983, p. 32).

From the perspective that there are no specifically good or bad cultures and true to the theory of group development (pp. 30-38), a recent advancement posits the possibility for multiple cultures--subcultures--to concurrently exist within the same corporation. Although these subcultures reinforce the overall mission of the larger organization, the corporation, they are idiosyncratic to smaller sub-units of the firm: i.e. operating units and divisions. This contingency view regarding the existence of sub-cultures is important

due to the varying nature of the mission, objectives, tasks, and general nature of different operating units within any larger organization. The most efficient culture for the accounting/billing department would be expected to differ from the sales department or research and development division. Indeed, the proper sub-culture should reinforce the needs and requirements of the sub-organizational unit which in turn supports the larger organizational goals and objectives.

With this perspective of differing cultures and subcultures within component organizations of the larger and more comprehensive overall organization, this study is concerned with investigating the existence and composition of a specific type of organizational culture that (1) would exist within a sales organization or division of some larger organization, and (2) have a positive influence on increased customer orientation levels.

### Typologies of Organizational Culture

Although no one best culture exists for all organizations, scholars in the field argue that the culture of the organization does take on certain characteristics that allow the cultures to be typed into categories (Ouchi 1980; Schneider 1980; Wilkins and Ouchi 1983; Wallach 1983; Cooke and Rousseau 1988).

One of the first cultural typologies was proposed by Schein (1981, 1984, and 1985). This typology refers to three levels of culture:

- LEVEL ONE (a) - ARTIFACTS AND CREATIONS  
The technology and jargon of the organization. Visible but not decipherable.
- LEVEL ONE (b) - PATTERNS OF BEHAVIOR  
The habits, norms, rites and rituals of the organization. Also visible but highly qualitative in nature.
- LEVEL TWO - BELIEFS AND VALUES  
A sense of what ought to be, and thus a rationalization of Level 1.

LEVEL THREE - UNDERLYING ASSUMPTIONS  
 Fundamental beliefs and values that  
 are taken for granted, preconscious,  
 and invisible.

As proposed by Schein (1981, 1984, 1985), this typology was originally designed to further refine the distinctions between the adaptationist and ideational views of culture. As extended by Ott (1989), this particular typology explicates the hierarchical structure of culture with each level being built upon the one below it. This structure illustrates that change in upper levels (Level One or Level Two) is dependent upon initial changes in a lower level (Level Two or Level Three), i.e. the fundamental beliefs and values that underlay the culture. While valuable for its illustration of the hierarchical structure of culture, this typology also parallels group development theory in its illustration of the importance of the individual member's beliefs and values. It is these fundamental beliefs as perceived by the individual member that are manifested first as Level Two beliefs and values and then as Level One artifacts and norms. Since the perceptions of the individual aggregate over time into the norms and shared values making up the organizational culture, the methodology of this study will focus upon these foundational perceptions of the individual.

Deal and Kennedy (1982, p. 107) argue that "...the biggest single influence on a company's culture is the broader social and business environment in which the company operates." Using qualitative studies of corporations and their business environments, Deal and Kennedy (1982) present a typology based upon two factors within the marketplace: (a) the degree of risk, and (b) the speed with which the companies get feedback regarding the success of decisions and strategies. Using these market based factors, the authors present their four generic cultures:

1. TOUGH-GUY, MACHO CULTURE
2. WORK HARD/PLAY HARD CULTURE
3. BET YOUR COMPANY CULTURE
4. PROCESS CULTURE.

Tough-Guy, Macho Culture. This culture is characterized as a world of risk taking individualists who receive rapid feedback on decision results. The all or nothing nature of this culture encourages a focus on speed rather than endurance.

Work Hard/Play Hard Culture. Risk taking is discouraged, instead, fun and action seem to be the rule. Combined with rapid feedback regarding decisions, this culture encourages employees to tend to a high level of low risk activities. Activity is everything and persistence yields success.

Bet Your Company Culture. This culture is characterized by a high risk and slow feedback environment. Decisions carry big stakes and it is years before outcomes are known. The importance of every decision instills a sense of deliberateness, fosters dependence on business meetings and highly centralized decision making.

Process Culture. In this sphere of little feedback, employees find it difficult to measure their performance. Instead of focusing on what they do, employees concentrate on how it's done...the process. Small events take on major importance and values center on technical perfection. Deal and Kennedy (1982, p. 108) offer an alternate name for this culture--"bureaucracy."

Notwithstanding the rich descriptions offered by this generic culture typology, it is too simplistic to accurately reflect the real business world. Deal and Kennedy (1982) point out the acute limitations of the typology in disclosing that "No company that we know of today precisely fits any one of these categories." "...companies have cultures that artfully blend the best elements of all four types." Additional limitations result from the total external focus of this particular typology. By being based totally on external environmental factors, this typology neglects the assertions from group development theory that it is the internal relationships, actions, and behaviors of



the members and management that shape the organization's culture. While it is possible that these internal actions and behaviors often occur in response to environmental changes, the external environment by itself does not give rise to the nature and character of the organization's culture. Consequently, while this typology has been popularized in practitioner journals and books, it has no theoretical foundation for use as a typology of culture.

Using the internal actions and behaviors of the organization as the point of focus, other organizational culture typologies have been proposed by Ouchi (1980, 1983) Wallach (1983) and Cooke and Rousseau (1988). These typologies reflect the important role played by management in implementing, shaping and sustaining an organization's culture. Further support for these typologies results from their close resemblance to the two primary management styles (Table 2) that have evolved through time (Perrow 1973; Hrebiniak 1978; Daft 1989). This reflection of management's role combined with linkages into the management literature and theory through the parallel of management styles renders a parsimonious but realistic typology for further study of organizational culture.

TABLE 2  
PRIMARY MANAGEMENT STYLES

BUREAUCRATIC	HUMAN RELATIONS
High task orientation	Cooperative orientation
Routinization of task	Encourages initiative
Autocratic controls	Individual empowerment
Monetary and extrinsic incentives	Intrinsic and extrinsic incentives

Acknowledging that there are no "pure" types of cultures, Ouchi (1981, p. 70) offers a typology of organizational culture with the categories of "Type A" and "Type Z." Ouchi views the "Type A" culture as impersonal, inflexible, and having explicit rules and control mechanisms. While avoiding the pejorative nature of the term, Ouchi labels the general "Type A" culture as a bureaucracy. Quite the opposite, the "Type Z" culture is described as flexible, adaptive, and controlled solely through the "mutual trust" that exists between members. Within this culture, the socialization of members toward a common goal propels them to work for the common good. This socialization process yields a high state of consistency in the internal culture and results in intimate associations of people. Because of this typical characteristic of intimate association through common goals, Ouchi adopted the label "clan" for the "Type Z" culture (Ouchi 1980, 1981, 1983). The characteristics of these generalized labels of "bureaucracy" and "clan" closely resemble the previous typology of managerial styles, thus readily lending themselves to use in comparing management strategies. Reflecting the usefulness of this typology, other researchers have embraced this descriptive terminology of generalized and extreme culture types originated by Ouchi. Wallach (1983) offers a similar typology labeled "bureaucratic" and "supportive" while Cooke and Rousseau (1988) use the terms "task" and "people."

The Bureaucratic Classification. The classifications of "bureaucratic" and "task" are characterized by behavioral controls that are based on negotiated terms of exchange, rules and legitimate authority. Relationships are contractual in nature and the roles and obligations of each party are set out (implicitly or explicitly) in advance. Increases in performance are exchanged only for increased rewards. Goal congruity is low with each party using the other as the means for furthering its own goals. Rather than promoting a feeling of membership, there is a feeling of independence and individuality in

which everyone pursues their own interests. The firm typically minimizes the problems of goal incongruity and self interest through close controls, monitoring, and rules.

The Clan Classification. The "clan," "supportive," and "people" classifications describe control systems based upon socialization and internalization of norms. Much like a fraternal group, members recognize and accept an obligation that goes beyond the simple exchange of labor for salary or other contractual obligations. There is a mutual commitment (organization to individual and individual to organization) that is based on mutual interests. Pressure to conform is high and members share a strong sense of pride, goal congruence, and identification (Ouchi 1980; Kerr and Slocum 1987). These characteristics lend the "clan" to be the most efficient and effective culture type under conditions of high job and/or task ambiguity (Ouchi 1980).

#### The Organizational Culture and Customer Orientation Relationship

As discussed above (pp. 16-23), customer orientation is viewed as a philosophy and behavior directed toward determining and understanding the needs of the target customer and adapting the response in order to satisfy those needs better than the competition. This philosophy and behavior of customer orientation puts the salesperson in the position of a boundary spanner. That is, a customer oriented salesperson must simultaneously represent, understand, and satisfy the needs of both the organization and the customer. Marketing scholars examining the multiple roles that are taken on by a salesperson representing the customer as well as the firm argue that the ensuing non-routine situations and demands result in conditions of high job complexity and job/task ambiguity (Walker, Churchill, and Ford 1975; Churchill, Ford and Walker 1976; Dubinsky et al. 1986). As argued above by Ouchi (1980)

the specific characteristics of the clan culture will make the clan form of organizational culture more efficient and effective under conditions characterized by high job complexity and high job/task ambiguity. Ergo organizational culture should impact the performance of sales personnel with cultures approaching the clan typology proving more effective in sales organizations.

The high degree of social interrelationships in a clan type culture should also be more conducive to the formation and maintenance of customer orientation. Moreover, this fertile relationship between the clan culture and customer orientation is further fostered by the high degree of goal congruity. As argued by Wilkens and Ouchi (1983), high levels of goal congruity promote a long-term perspective based on equity of rewards and costs. This mirrors Saxe and Weitz's position that the opportunity costs natural to customer oriented sales behavior require a long-term perspective. Clearly then, as illustrated in the model in Figure 6, one reaches the logical conclusion positing organizational culture as a determinant of customer oriented behavior. Even more specifically, as explicated in the model depicted by Figure 7, an organizational culture possessing characteristics analogous to the clan form of culture is posited to favor customer oriented behavior over that of more bureaucratic cultures.

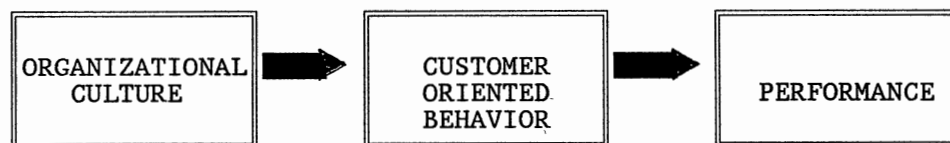


Figure 6. Organizational Culture, Customer Orientation and Performance of the Firm

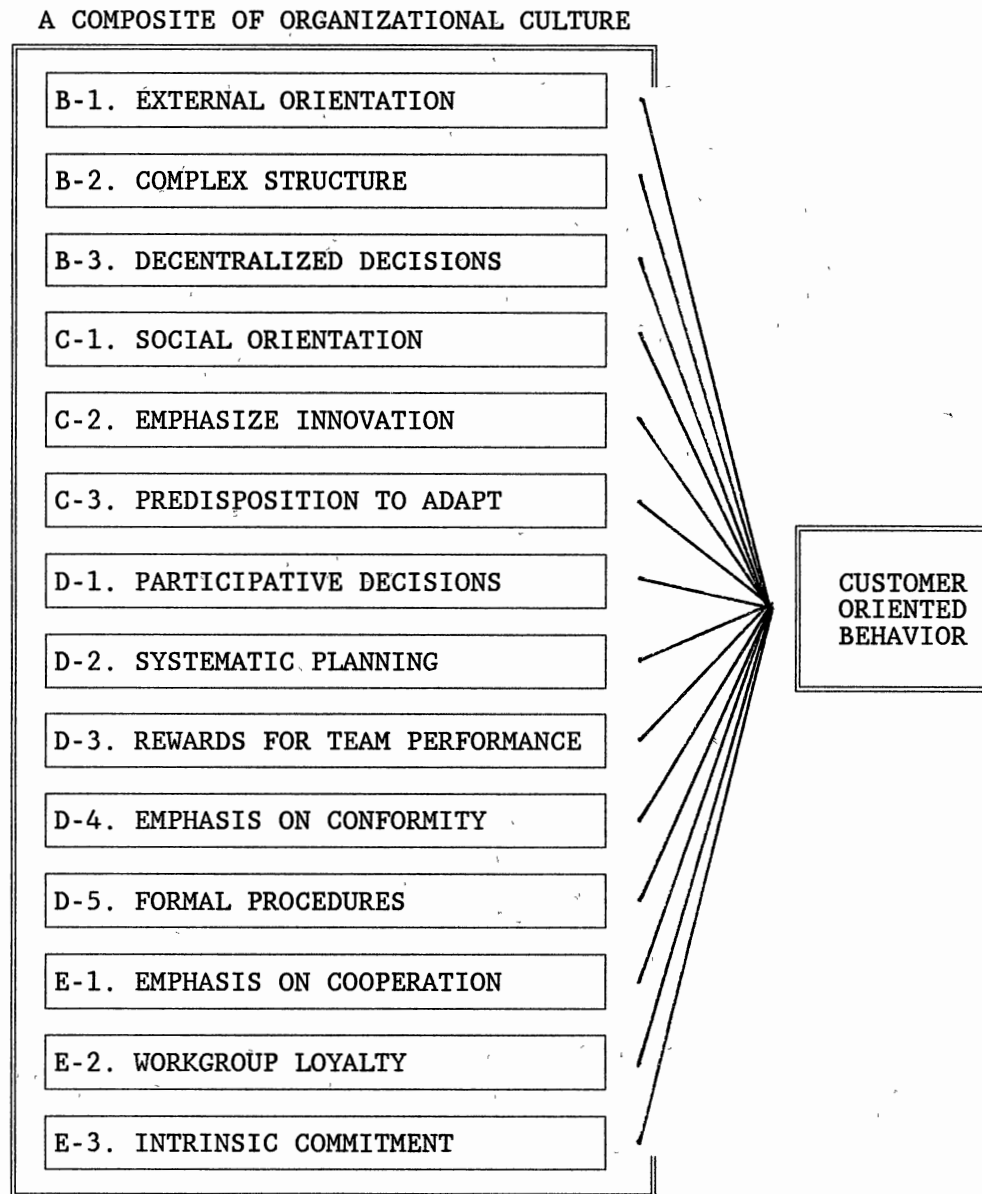


Figure 7. Relationship of Organizational Culture Dimensions and Customer Oriented Behavior

## CHAPTER III

### RESEARCH DESIGN AND METHODOLOGY

Recent findings by Narver and Slater (1989, 1990) support the long conceptualized positive relationship between customer orientation and performance. This long awaited empirical support for the linkage between customer orientation and performance further spotlights the importance of advancing our knowledge and understanding of customer orientation: What is market orientation and how does one create and sustain such an orientation?

This study is designed to investigate the research question: How does a firm create and sustain a customer orientation? More specifically, this study posits and explores organizational culture as an antecedent for the effective implementation and maintenance of customer orientation within a sales force.

#### Research Objectives

Investigation of the posited antecedent relationship between the constructs of organizational culture and customer orientation require suitable devices for measuring each construct. This requirement introduces an immediate problem into the study: no suitable existing scales are available with proven reliability and validity.

As discussed previously (pp. 18-19), Saxe and Weitz's (1982) SOCO scale provided a valuable first step toward the operationalization and measurement of customer orientation as a behavior of salespeople. Nevertheless, more recent interpretation of customer orientation indicates that this scale might understate the domain of customer orientation (pp. 21-23). In a similar fashion, published scales

purportedly measuring organizational culture fail to adequately address the issues of reliability and validity. Consequently, development of scales for the constructs of customer orientation and organizational culture are major objectives for this study.

More specifically, the objectives of this study are threefold:

1. The study develops a scale for the purpose of measuring the organizational culture construct at the level of the individual member of the organization.
2. The Selling Orientation-Customer Orientation scale (Saxe and Weitz 1982) is extended to include the additional elements of the customer orientation domain (pp. 21-23).
3. Conceptualized relationships between organizational culture and customer orientation are explored.

Without some theoretical or empirical support for the much conceptualized but untested dimensions of organizational culture, specific hypotheses cannot be developed. This study's development of reliable and valid scales will reveal the dimensionality of the constructs. This knowledge of the dimensions allows us to generate specific hypotheses regarding the posited relationship between organizational culture and customer orientation. In this manner, the first two objectives of this study enable the third and final objective to be fulfilled.

While to date, the dimensions of organizational culture are based strictly on conjecture, the posited relationship between organizational culture and customer orientation is theoretically based on specific characteristics of each construct. The customer oriented strategy is a long term strategy that often requires the salesperson to take some form of short-term opportunity cost in favor of a long term relationship in the dyad. Saxe and Weitz (1982) discuss the additional time and effort investment that must be made in the practice of customer oriented behavior. Time must be spent in identifying and assessing the needs of customers, plus more time is required in demonstrating how products satisfy these needs. This investment of time and effort carries an

opportunity cost, as this same time could be used in selling other customers and possibly achieving a higher level of immediate sales. Saxe and Weitz (1982, p. 347) further posit that "the severest test of customer orientation is faced when salespeople must make a choice between their customer's satisfaction and their own short-term self-interest in closing each sale."

From this perspective, for a firm implementing or attempting to sustain a customer orientation, the type of culture predominant within the firm becomes a salient factor in the success of this strategy. The characteristics of a bureaucratic organizational culture would encourage the salesperson to emphasize a goal of short-term gains in sales (self-interest is favored over the organizational goals) and thus diminish the resulting level of customer orientation (Figure 7). This follows from the bureaucratic culture's relationships being negotiated and contractual in nature, thus promoting a feeling of independence. The high levels of individuality promote low goal congruity as members pursue their own interests. Increased rewards are exchanged for increased performance as each party attempts to use the other as a means for furthering its own objectives.

Conversely, the attributes of a clan oriented culture would encourage a higher level of customer orientation. As documented previously, the high degree goal congruency and social interrelationships along with the communication natural to a clan type culture would also be more conducive to the formation and maintenance of customer orientation. Within the clan culture, members accept an obligation going beyond the simple exchange of labor for salary or other contractual obligations. High long-term goal orientation creates an intrinsic motivation directing behavior....a mutual commitment based on mutual interests and equity of rewards and costs. This increased level of customer orientation at the individual level would in turn aggregate to an increased customer orientation at the level of the organizational



unit and ultimately the firm itself. Consequently, the clan form of culture is posited to have a positive relationship with customer oriented behavior (Figure 8) and is analogous to Parasuraman's (1985) customer oriented culture. As conceptualized by Parasuraman (1985), this customer oriented culture is (1) focused outside the firm allowing it to gain a customer perspective; (2) gains flexibility in process and response through empowerment of the member; (3) creative in generating relevant solutions to customer problems; and (4) displays a sincere respect for members.

#### Description of Samples

As it is the salesperson who directly interacts with the customer, it is logical to view the customer orientation of a firm as the aggregate customer orientation of the firm's sales personnel. Consequently, for the purpose of this study, customer orientation will be operationalized as the individual behavior of sales force members and measured at the level of the individual salesperson.

As reviewed by Joyce and Slocum (1984) and Glick (1985), researchers in organizational behavior are split on the issue of what level is appropriate for the study of organizational culture. Tyagi (1982) observes that the more common view is that organizational environment should be viewed as global perceptions held by individuals about their objective organizational situations and interrelationships. Schneider and Bartlett (1968) also argue, that in measuring organizational variables, what is psychologically important to the individual is his or her perception of the work environment rather than how others choose to describe it.

In their study of employee reactions to job characteristics Hackman and Lawler (1971) observe that it is not the objective state which affects the attitudes and behavior of employees, but rather how they are perceived and experienced by the individual employee.

Regardless of the amount of feedback, autonomy, variety, or any other job trait an employee objectively has in his work, it is the amount the employee perceives he has that affects his reactions and behavior. The objective characteristics are important as they give rise to the perceptions and experiences of the individual. But substantial differences exist between the objective organizational or job characteristics and how they are perceived by the employee. Consequently, it is dangerous to assume identity between the objective and perceived characteristics--as it is the perceived characteristic that ultimately matters regarding behavior. Hackman and Lawler also found that the employees were able to give nondistorted descriptions of the perceived characteristics of their jobs.

This study sides with the more common view as set forth by Tyagi (1982) and takes the position that organizational culture should be studied at the level of the individual. The pitfalls of improper aggregation inherent in multilevel research is avoided by staying at the level of the individual throughout the research design. Consequently, both organizational culture and customer orientation are measured at the level of the individual salesperson within his or her immediate organizational environment (i.e. department, division, work unit).

Measuring both constructs of interest as perceptions and behaviors of the individual salesperson offers two obvious benefits. First, by measuring at this level of the individual, the customer orientation construct can be aggregated to any upward level of organization of interest--SBU, division, or even company wide. Second, focusing on the individual level allows both constructs, customer orientation and organizational culture, to be measured simultaneously using the same respondents. As our ultimate sample unit is to be individual salespeople--not organizations or companies, cluster sampling will be utilized within each participating company. These selected clusters within the companies will be in the form of sales offices, selling

departments, and sales groups. Within each of these selected clusters, 3 to 5 individual salespeople will be randomly chosen to participate in the study.

The objectives of this study require that measures be developed for the organizational culture and customer orientation constructs before specific relationships between the constructs can be hypothesized and tested. In developing the measures for the two constructs of interest, this study will adhere to the guidelines established by Churchill (1979) for the development of reliable and valid measures. The single exception being that in addition to the two data collection and analysis steps recommended by Churchill, this study includes one additional data gathering and analysis step.

This additional step, designated as the "pre-pilot study," is included to provide an additional step for the reduction of item statements in the organizational culture scale. Research guidelines for multivariate analysis recommend 5 to 10 times as many subjects as items (Nunnally 1978; Hair et al. 1992). Due to the large number of items required to inclusively represent the 14 components of organizational culture (pp, 69-72) posited in the literature, the number of subjects required to meet this suggested ratio of subjects to items would have depleted the pool of potential sales force participants, leaving too few sales force participants for the main field survey. Consequently, the design of this study utilizes an additional sample and data collection step at the beginning. This pre-pilot sample is made up of general, non-selling employees and utilized in initial purification and reduction of items relative only to the organizational culture scale. Subsequent to this initial item reduction step for organizational culture, sufficient numbers of subjects are available to satisfy the multivariate analysis requirements for Churchill's two data collection and analysis steps, referred to herein as "pilot survey" and "field survey."

### Pre-Pilot Survey Sample

The pre-pilot study was to be used as an initial purification and item reduction stage only for the organizational culture scale. Consequently, in keeping with the exhortations of Calder, Phillips, and Tybout (1981) regarding relevant samples, participants were not required to hold a sales position. The required characteristics in this initial pre-pilot sample are (a) each participant must be currently employed and working, and (b) no participant could be self-employed.

Through nine different organizations indicating a willingness to work with our study, a convenience sample of 137 individuals satisfying the stated requirements was selected. Questionnaires were distributed to participants by the researcher. Care was taken to use companies that were not to be utilized in the two ensuing data collection stages.

### Pilot Survey Sample

The pilot survey is utilized in the purification and assessment of reliability for both the organizational culture and the customer orientation scales. Toward the goal of obtaining a relevant sample of participants, the participation of managers from 81 different companies was obtained, resulting in 683 participants representing a stratification of different selling situations. Survey instruments were distributed directly by the primary researcher in meetings of the participants.

### Field Survey Sample

Imposing the requirement that no duplication of participants be allowed across the three samples, the cooperation of sales managers in 59 firms was secured resulting in 394 participants for this third and final data collection step. Questionnaires were distributed to participating salespeople during a regular sales meeting. As in the

pilot sample, participating firms were selected so as to provide a stratification of various selling situations.

#### Data Collection Process

To gain the cooperation of companies and to further encourage individual salespeople to participate and respond, this study was conducted under the auspices of Oklahoma State University's Center for Product and Service Quality. All written material such as envelopes, cover letters, and questionnaires displayed the LOGO and return address of the Center for Product and Service Quality. Confidentiality was further assured for respondents in a cover letter and an oral statement at the time of distributing the surveys. In addressing a potential source of error, it is important that respondents understand that their responses are aggregated into the study and that their individual answers will not be divulged to anyone--especially the company.

For control and follow-up, identification codes are used to identify the specific sampling unit organization. Denoting specific company and organizational unit, the codes also provide input for further statistical analysis.

Following Churchill's (1979) multi-step process, the questionnaires used in each phase of this study are developed from the refined scale items produced in the prior steps of development and purification. In addition to these refined scale items, global measures and other items are included in the instrument for use in scale validation (pp. 64-67). Supplementary questions are also included to gather demographic information for use as possible co-variates and grouping variables for analysis.

#### Scale Development

In discussing the need for researchers to develop reliable and valid measures, Churchill (1979) recommends a multi-step process for

scale development. Consistent with Churchill's multi-step process, the scale development objectives of this study (pp. 50-51) are attained through the following process for each construct: (1) Specification of the domains; (2) Generation of multiple statement items sampling the domains; (3) Conduct a pilot test as the first collection of data; (4) Reduction of the number of items through the use of statistical techniques of item-to-total correlations and factor analysis; (5) Execute a field survey as the second collection of data; (6) Assess scale reliability; (7) Assess scale validity; and (8) Develop norms and relationships for the constructs of interest. In developing the norms and relationships called for in the final step, the hypothesized relationships between (a) the constructs of organizational culture and customer orientation, and (b) the dimensions of organizational culture and the construct customer orientation are tested.

#### Specification of Domain

As discussed in chapter two, various conceptualizations exist for the domain of both constructs, customer orientation (pp. 16-23) and organizational culture (pp. 23-28). For the purpose of this study, the domains of each construct are established through a two step process. First content analysis was performed on the various conceptualizations taken from the literature. For further verification, the results of this content analysis were then subjected to additional qualitative analysis including field observation and interviews.

#### Customer Orientation

Although differing from prior conceptualizations in the literature in both number and surface appearance, closer examination of customer orientation as conceptualized in the sales management and services/quality literature reveals parallel relationships. The following inventory of the customer orientation domain is the direct

outcome from qualitative research combining (a) content analysis of prior conceptualizations in sales management (pp. 17-19) and services/quality (pp. 19-20) literature with (b) the expanded components (pp. 21-23) from Narver and Slater (1989), Manning and Reece (1990), and Coppett and Staples (1990).

1. Possesses a willingness to help customers.  
*The salesperson is friendly and has a positive personality. He/she is responsive and desires to help customers make a satisfactory purchase decision.*
2. Assesses customer needs through 2-way communication.  
*The salesperson focuses upon problem solving by being inquisitive, listening, and understanding customer needs. He/she helps the customer understand their needs and how products address these needs.*
3. Uses understanding rather than manipulation.  
*The behavior of salespeople is understanding rather than overpowering or dominating. He/she is approachable and actively involves the customer--easy going rather than high pressure.*
4. Avoids use of deceitful practices.  
*Salesperson is competent and credible. He/she possesses the skills and knowledge to describe products accurately. Salespeople avoid deceptive tactics and are trustworthy.*
5. Builds value by offering products that satisfy customer needs.  
*Salespeople are flexible and adaptive in tailoring products to meet changing demands and needs of customers. Offers products that match customer needs.*
6. Represents customer to the company.  
*Salesperson is a source of market information by communicating the customers' needs back to the company. He/she assists in product and market planning and development based on knowledge of customer needs.*
7. Practices the double win philosophy.  
*Salespeople have commitment to the customer based on long-term relationships from which all parties receive mutual benefits and rewards. He/she build long-term relationships based on transactions in which (1) neither buyer or seller take advantage of the other party; and (2) all parties profit.*
8. Evaluates customer satisfaction and provides follow-up activities.  
*In order to better assure the continuation of long-term relationships, salespeople evaluate and measure customer satisfaction. Using this information, he/she develop follow-up responses to address and alleviate problems.*

Derived through qualitative research, the appropriateness of these eight posited components of customer orientation is empirically examined as a part of this study. The results of this analysis will provide a superior understanding of the dimensionality of the expanded customer orientation construct.

### Organizational Culture

Researchers of organizational environment and culture posit a multi-dimensional construct. Primarily reflecting the work of Reynolds (1986) and incorporating organizational environment conceptualizations from Campbell et al. (1970), Tyagi (1982), Toto (1986), and Schein (1985), the domain of organizational culture is depicted below:

1. External vs. internal orientation  
*This element assesses the amount of focus upon the external environment as opposed to attention given to internal details such as committee meetings, reports, and paper work.*
2. Simple vs complex organizational structure  
*Concerned with the inclination an organization has toward developing elaborate structures and procedures, this element is relevant to both the formal complexity, ambiguity and complexity of political and informal processes within the organization.*
3. Decentralized vs centralized decision making  
*This component measures the extent to which individuals in key positions impact decisions, plans, and actions of the organization--centralization. At the other extreme--decentralization--individuals and/or work teams are allowed to impact decisions and plans regarding their own situations.*
4. Predisposed toward adaptivity and change vs. caution and safety  
*When confronted with challenges and opportunities in the environment, this component considers the organizational response in terms of predisposition to be cautious and conservative in adopting different plans, products, and procedures.*
5. Task vs. social emphasis  
*This component pertains to the amount of organizational focus placed upon work and work issues as opposed to personal, interpersonal, and social needs of employees and customers.*



6. Focus on stability vs innovation  
This element is purportedly slightly different from "A" immediately above and assesses the organizations tendency to seek new and innovative ways to do things. At one extreme would be the orientation to avoid new methods and procedures that are not well established. At the other extreme would be the organizational tendency to perpetually be searching out novel procedures and products.
7. Individual vs participative decision making  
This component evaluates the degree to which the organization values key individuals making decisions and proceeding with implementation. The other extreme would be decisions and implementation being the result of collective inputs from various individuals.
8. Ad hocery vs systematic planning  
This particular element contrasts the organizational tendency to anticipate and plan for change as opposed to reacting in an ad hoc fashion to changes as they occur.
9. Rewards based on individual vs team contributions  
While all organizations provide some type of rewards to members, this element concerns the extent to which rewards are based on individual accomplishments as opposed to the performance of a work team or unit.
10. Focus on conformity vs individuality  
This component measures the extent that an organization tolerates or encourages members to be distinctive and idiosyncratic in their work and social activities. Some organizations encourage considerable variance in dress, work activities, and social manners. Other firms encourage a high degree of homogeneity and uniformity in work activities as well as personal lives.
11. Informal vs formal procedures  
This component concerns the tendency of an organization to have formal mechanisms for procedures and decision making. While some firms utilize detailed rules and written documents to justify decisions and actions, others prefer minimal formalization and reach approval on major issues through discussion.
12. Cooperation vs competition among fellow workers  
This component measures the degree to which members perceive their peers to be competitors or colleagues regarding resources and rewards coming from the organization. While competitors rival one another for rewards, colleagues work together to contend with outside competitors.
13. High vs low loyalty  
Members have multiple loyalties spread among various organizations to which they belong. This component measures the degree to which members place the organization above other groups.

14. Intrinsic vs extrinsic commitment  
*Individuals become committed to organizations for a wide variety of reasons. This component refers to the basis for this commitment: financial rewards, prestige, challenge, personal relationships, and opportunities for self-fulfillment.*

Support for these multiple dimensions and components of organizational culture as conceptualized in the literature are empirically investigated as a part of this study. These study results explicate the dimensions of organizational culture and contribute much needed understanding regarding the organizational culture construct.

#### Generation of Samples of Items

A listing of 140 item statements representing organizational culture and 80 representing customer orientation (Appendix A) were developed using existing literature in the field and interviews with knowledgeable individuals. Items for measurement of both constructs are structured as Likert scales with a bi-polar design. The use of Likert scales yields interval scaled data required for statistical analysis using item-to-total correlations, Cronbach's alpha, factor analysis, and multiple regression. Both positively and negatively worded items are also included in the design to control possible introduction of bias from yea/nay saying. The scale measuring customer orientation is constructed so that low scores would represent low customer orientation and high scores depicting high customer orientation. Low scores on the organizational culture measure describe a culture tending to be more bureaucratic in nature while higher scores characterize a clan type of culture.

#### Pre-Pilot Survey

The organizational culture items were further reduced to a total of 74 item statements through the use of expert judges. Each of the 14 dimensions were represented with multiple items. These remaining items

were reproduced as a three page questionnaire (Appendix B) and distributed to the participants making up the pre-pilot sample of employees. Using item-to-total correlations within each dimensional set of item statements, the list of items was further purified and reduced for use in the pilot study.

#### Pilot Survey

Using the purified list of items representing organizational culture from the pre-pilot survey and the listing of items generated for customer orientation a four section questionnaire (Appendix C) was constructed for use in the pilot survey. This pilot survey would correspond with Churchill's (1979) "first data collection step." The data resulting from this survey provides the input for the following item reduction step in order to reduce the items to a more reliable and parsimonious set.

#### Item Reduction

The statistical analysis techniques of item-to-total correlations, Cronbach's Coefficient alpha, and factor analysis were utilized in this stage of the study. Use of these statistical techniques aid in (a) further purifying and reducing the item statements, (b) identification of the dimensionality of both constructs, and (c) provide initial support for the reliability of the resulting measures.

Corresponding to acceptable criteria, our goal in this stage of analysis is to establish minimum factor loadings of .5 with a difference in cross loadings of .2 (Hair et al., 1992, p. 239) and alphas of at least .6 or better (Nunnally 1978; Churchill 1979).

#### Field Survey

Using a questionnaire consisting of the revised scales from the immediately preceding stage of item reduction, a second collection of

data was completed using participants in the field survey sample (pp. 56-57). The instrument is included as Appendix D. Data collected in this field survey is used for three purposes: The data is first analyzed to confirm the reliability of the measures. Second, further analysis is used for assessing the validity of the measures. The last analysis of this field survey data tests the study's hypothesized relationships between organizational culture and customer orientation.

#### Assess Reliability

Following this second collection of data, the reliability of the reduced scale is verified with the new data from the field survey. In a similar fashion as above, this analysis is conducted using item-to-total correlations, Cronbach's coefficient alpha, and factor analysis.

#### Assess Validity

Having established support for the reliability of the measures, validity is assessed through the use of the multi-trait multi-method (MTMM) methodology (Campbell and Fiske 1959). The MTMM indicates measure reliability, discriminant validity, convergent validity and construct validity. This assessment is accomplished through a simple procedure consisting of a matrix of correlations between several variables or concepts measured by several different methods (Campbell and Fiske 1959, and Heeler and Ray 1972).

#### Convergent Validity

The MTMM allows assessment of convergent validity by examining the correlations between different measures of the same construct. For convergent validity of the new customer orientation measure, comparison is made to data from the SOCO customer orientation scale (Saxe and Weitz 1982). With both scales purportedly measuring the same construct, a high correlation supports convergent validity.

Convergent validity of the organizational culture scale is evaluated using the correlation with a different methodology and measure of organizational culture types. This second methodology, developed by Ouchi (1983), uses two descriptions of a generic organization: one description typifies the general characteristics of a bureaucracy, the other exemplifying the Theory Z (clan) organizational culture. Participants choose the description according to its semblance to their current organization. As both methods are posited to measure the extent of bureaucracy and clan organizational culture characteristics, convergent validity is denoted by a high correlation between the two measurement methods.

#### Discriminant Validity

Within the MTMM, discriminant validity is examined through the comparison of the convergent validities with:

1. correlations between different traits measured by different methods (heteromethod-heterotrait).
2. correlations between different traits measured by the same method (monomethod-heterotrait).

Using these comparative correlations, consistently larger convergent validities indicate discriminant validation.

As we are restricted in this study to the use of a single method (a paper and pencil self-rating method), our ability to derive "maximally different" methods is greatly hampered. Heeler and Ray (1972) discuss the difficulties marketing researchers often encounter in meeting the rigorous assumptions of maximally different measures required under the MTMM. While these requirements are severe on the surface, rather than be forced away from using this validation instrument, Heeler and Ray (1972) recommend that marketers design their research to include multiple traits and different levels of measurement so as to meet the requirements for using MTMM. In following this counsel, this study utilizes a separate global measure of comparative

constructs in addition to the multi-item measures of the comparative constructs in assessing discriminant validity. The comparative construct chosen for this evaluation of discriminant validity is job satisfaction. The discriminant validity will be assessed through the inclusion of both multi-item and global measures of job satisfaction. While both organizational culture and customer orientation should be positively correlated with job satisfaction, valid scales should discriminate between these related constructs.

#### Construct Validity

Support for construct validity can be assessed by the MTMM when the correlations between the different constructs measured thus far in our analysis exhibit similar patterns when measured by the same (mono-method) or by different (multi-method) methods.

#### Nomological Validity

Having addressed these basic forms of validity successfully, the next step in evaluating the scales is to address the issue of nomological validity by examining relationships between each of the primary constructs of interest and other constructs to see if conceptualized and accepted relationships hold true. If these relationships are congruent with what is known from the literature, then support for nomological validity is established. While not demanding high correlations, this portion of validity assessment does require a number of correlations consistent with the conceptualized expectations.

The nomological validity of the extended customer orientation scale and the organizational culture scale will be assessed through the use of (a) the ability to help measure (Saxe and Weitz 1982), (b) the cooperative relations measure (Saxe and Weitz 1982), (c) the organizational commitment scale (Hrebiniak and Allutto 1972), and (d) the work motivation measure (Hackman and Oldham 1976).

Upon support of this final transcending form of validity, the study progresses to testing the hypotheses regarding the relationship between organizational culture and the level of customer orientation.

#### Testing the Posited Relationships Between Organizational Culture and Customer Orientation

This study set out to address the question: How does a firm create and sustain a customer orientation? As an answer to this question, this study sets forth certain hypotheses positing specific relationships between a firm's organizational culture and its level of customer orientation.

These hypotheses are investigated through the use of univariate and multiple regression statistical analyses. The data for these analyses consists of the survey results from the field survey utilized as a part of the scale development portion of this study (p. 63). This additional use of this survey data is supported by Churchill's (1979) discussion of norm development as the last step for effective scale development.

The first test is designed to test relationships at the construct level. In this first test, salesperson customer orientation is set as the criterion variable using the summated scores from the extended and revised SOCO scale as the measure. The predictor variable is organizational culture, operationalized as summated factor scores from the organizational culture scale.

The next step in regression analysis examines the relationships between the individual dimensions of organizational culture and customer orientation. In this level of analysis, the summated scores for salesperson customer orientation again serve as the criterion variable of interest. Scores for the individual dimensions of organizational culture will be used as predictor variables. The relative influence of

each dimension is ascertained and documented through the use of standardized beta coefficients.



## CHAPTER IV

### RESEARCH FINDINGS: SCALE DEVELOPMENT

This chapter recounts the findings from the scale development process called for by the first two objectives of this study. Following the descriptions of the respondents participating in each of the three surveys, results from the scale development process are presented in a sequential fashion for both scales. With one exception, Churchill's (1979) multi-step process for the development of reliable and valid measures provided the framework for the actual data collection and analysis in this study. Consequently, this same structure will be utilized in organizing and presenting the findings. The single deviation from Churchill's procedure is the inclusion of one additional data gathering and analysis step.

This additional step, designated in the following discussion of findings as the pre-pilot study, was included to provide an additional step for the reduction of item statements in the organizational culture scale. Research guidelines for multivariate analysis recommend 5 to 10 times as many subjects as items (Nunnally 1978; Hair et al. 1992). Due to the large number of items required to inclusively represent the 14 components of organizational culture (pp, 69-72) posited in the literature, the number of subjects required to meet this required ratio of subjects to items would have depleted the available pool of potential sales force participants, leaving too few actual salespeople participants for the main field survey.

Reflecting the addition of this step, the scale development findings are reported in the order of: (1) descriptions of respondents for each of the three data collection surveys, (2) specification of

domains for each construct, (3) the generation of multiple item statements, (4) the first data collection--the pre pilot survey, (5) the second data collection--the pilot survey, (6) analysis for item reduction, (7) the third data collection--field survey, (8) item purification and reliability assessment, and (9) assessment of validity.

### Description of Respondents

#### Pre-Pilot Survey Respondents

This step was designed to be used only as an initial purification and item reduction procedure for the organizational culture scale. Consequently, the requirements for using a relevant sample of participants (Calder, Phillips, and Tybout 1981), did not restrict the study to using salespeople in this early stage of development. The required characteristics in this initial pre-pilot sample were (a) each participant must be currently employed and working, and (b) no participant could be self-employed.

Following solicitation by the researcher, nine different organizations expressed a willingness to work with our study. Access to employees of the cooperating firms resulted in a convenience sample of 137 individuals satisfying the above stated requirements. Of the 137 surveys distributed, 108 completed surveys were returned, resulting in a return rate of 79 percent.

Care was taken to use companies that were not to be utilized in the subsequent collections of data. The selection process was designed to include firms representing (a) consumer, (b) business-to-business, and (c) institutional business types (Table 3). Furthermore, within each organization, individuals were taken across different departments so that a number of employment categories would be represented (Table 4).

TABLE 3  
FREQUENCIES OF PRE-PILOT SURVEY RESPONDENTS  
BY PRODUCT TYPES

BUSINESS TYPE	FREQUENCY
CONSUMER	58
BUSINESS-TO-BUSINESS	33
INSTITUTIONAL	17

TABLE 4  
FREQUENCIES OF PRE-PILOT SURVEY RESPONDENTS  
BY EMPLOYMENT TYPES

EMPLOYMENT TYPE	FREQUENCY
PROFESSIONAL	22
MANAGER/SUPERVISOR	13
OFFICE WORKER	12
GENERAL EMPLOYEE	61

#### Pilot Survey Respondents

Data resulting from the pilot survey is utilized for the purification and assessment of reliability for both constructs of interest, organizational culture and customer orientation. Toward the purpose of obtaining a sample of participants relevant to both constructs, ie. salespeople, the participation of managers from a select group of companies was solicited. These companies were selected on a stratified basis of selling situation types (ie. need for pre-sale assistance, need for post-sale assistance, goods vs. services, and consumer vs. industrial). With the cooperation of 81 different

companies, 683 surveys were distributed by the primary researcher directly to the participants. Distribution was made during a meeting of the participants. Participants completed the survey instruments in the meeting, sealed their responses in envelopes to assure confidentiality, and delivered the sealed packet to the researcher. A total of 655 completed surveys were returned to yield a return rate of 96 percent. Table 5 summarizes the demographics of the pilot study respondents.

TABLE 5  
SUMMARY OF PILOT STUDY AVERAGE DEMOGRAPHICS BY ALL  
RESPONDENTS AND SALES ONLY RESPONDENTS

DEMOGRAPHIC VARIABLE	ALL RESPONDENTS AVERAGE	SALES ONLY AVERAGE
YEARS WORKED FOR THIS COMPANY	4.7	5.0
YEARS OF EDUCATION BEYOND HIGH SCHOOL	2.2	2.3
CURRENT AGE IN YEARS	31.9	33.3
PERCENT FEMALE	54.1	48.5
PERCENT MALE	45.9	51.5

In exchange for their cooperation, several firms were offered summary reports detailing results from their specific firms. As a result of this incentive, several managers wanted to have all "customer-contact" personnel within their firms participate in the survey. Consequently, several employee types other than salespeople were included in the 655 completed responses. All total, 353 respondents were non-salespeople, leaving us with a total of 302 responses from active salespeople. In order to protect the relevancy of our samples (Calder, Phillips, and Tybout 1981), all 655 employee responses were

utilized in the organizational culture item analysis, while only the responses from the 302 salespeople were utilized in the analysis of the customer orientation items. Following the sampling design, these responses include a variety of different industry and types (Table 6) representing different selling situations.

TABLE 6  
FREQUENCIES OF PILOT STUDY RESPONDENTS BY PRODUCT TYPE  
FOR ALL RESPONDENTS AND SALES ONLY RESPONDENTS

PRODUCT TYPE	ALL RESPONDENTS FREQUENCY	SALES ONLY FREQUENCY
FINANCIAL SERVICES	129	14
MEDIA SALES	16	9
HEALTH SERVICES	18	8
UTILITIES	15	4
FOOD SERVICES	77	2
WHOLESALE FOOD BROKERS	13	9
CONSTRUCTION SERVICES	12	5
GOVERNMENTAL SERVICES	28	0
EDUCATION	2	0
GENERAL BUSINESS SERVICES	24	9
RETAIL HOME GOODS	31	30
MANUFACTURED GOODS DISTRIBUTOR	16	6
MIXED RETAIL GOODS	109	96
RETAIL CLOTHING SALES	61	61
AUTO PARTS AND SERVICES	15	14
AUTO SALES	42	31
EQUIPMENT REPAIR SERVICES	37	3
MISCELLANEOUS	2	0
NON-RESPONSE	8	1
TOTAL	655	302

### Field Survey Respondents

Although the design of the field survey sample is similar in design to the pilot survey sample, different firms were used to prevent any contamination. Following the solicitation of sales managers willing to cooperate in this study, 59 firms agreed to provide access to their salespeople for the purpose of conducting the survey. A total of 394 surveys were distributed directly to the salespeople. The methodology called for the sales manager to distribute the questionnaires to the salespeople during a regular sales meeting. After completing the survey, participants sealed their responses in the accompanying envelope and turned the sealed envelope into a fellow worker given the responsibility for collecting the completed surveys. Confidentiality was assured by the sales manager when handing out the questionnaires and also mentioned in the cover letter accompanying each questionnaire. Confidentiality was further assured by including an envelope in which to seal their responses and having responses collected by a trusted co-worker. As a result of the sampling design, 344 completed responses from qualified salespeople were returned for a response rate of 87.3 percent.

As in the preceding sample, participating firms were selected so as to provide a stratification of selling situation types: need for pre-sale assistance, need for post-sale assistance, goods vs. services, and consumer vs. business-to-business. In addition, several demographic variables were collected with the questionnaire to allow profiling of the respondents and provide certain co-variates for possible use in later stages of analysis. The demographic characteristics of the respondents are summarized in Table 7. Table 8 recapitulates the various selling situations for the respondents and further illustrates the balanced number of respondents from both consumer and business-to-business sales.

TABLE 7  
SUMMARY OF FIELD STUDY DEMOGRAPHICS BY  
SALES ONLY RESPONDENTS

DEMOGRAPHIC VARIABLE	SALES ONLY AVERAGE
YEARS WORKED FOR THIS COMPANY	4.8
YEARS OF EDUCATION BEYOND HIGH SCHOOL	2.4
CURRENT AGE IN YEARS	33.0
PERCENT FEMALE	38.3
PERCENT MALE	61.7

TABLE 8  
FREQUENCIES OF FIELD STUDY RESPONDENTS BY PRODUCT TYPE  
FOR SALES ONLY RESPONDENTS

PRODUCT TYPE	SALES ONLY FREQUENCY	
<u>BUSINESS TO BUSINESS SALES:</u>		
General Business Services	3	
Media Sales	18	
Printing	4	
Office Equipment	4	
Food/Beverage Wholesaler	53	
Oil Field Equipment	5	
Electronic Components	47	
Packaged Goods Wholesaler	7	
Construction Materials	3	
Home Goods Wholesaler	4	
Oil and Gas Sales	3	
Prescription Drugs	4	
SUB TOTAL	155	45.1%
<u>CONSUMER SALES:</u>		
Financial Services	7	
Real Estate	10	
Electronics Sales	9	
Discount Store	14	
Clothing Sales	34	
Jewelry Sales	2	
Home Goods	9	
Food Sales	6	
Automotive	33	
Travel/Entertainment	5	
Home Maintenance Services	2	
Health Services	5	
Floral Sales	5	
General Retail	30	
SUB TOTAL	171	49.7%
Non Response	18	5.2%
GRAND TOTAL	344	100.0%



### Specification of Domains

Following the original research design (pp. 57-68), the domains of each construct were established through a two step process. First, content analysis was carried out on the various conceptualizations taken from the literature. Additional information from personal observation and field interviews with scholars and practitioners in the field provided further verification of an inclusive domain.

#### Organizational Culture

As previously discussed, the domain and dimensionality of organizational culture lacks empirical investigation or support. Nevertheless, the results of our two step investigation of the domain process posit organizational culture to be a multi-dimensional construct consisting of some fourteen different elements (pp. 60-62). These fourteen components are listed below with their respective abbreviated titles for further reference in this study shown in all capitals:

1. External vs. internal orientation  
**NON-REDTAPE**
2. Simple vs complex organizational structure  
**NONCOMPLEX**
3. Centralized vs decentralized decision making  
**DECENTRALIZED DECISION MAKING**
4. Predisposed toward adapting and change vs. caution and safety  
**PREDISPOSED TOWARD CHANGE**
5. Task vs. social emphasis  
**SOCIAL EMPHASIS**
6. Focus on stability vs innovation  
**FOCUS ON INNOVATION**
7. Individual vs participative decision making  
**PARTICIPATIVE DECISION MAKING**
8. Ad hocery vs systematic planning  
**SYSTEMATIC PLANNING**
9. Rewards based on individual vs team contributions  
**REWARDS BASED ON TEAM PERFORMANCE**
10. Focus on conformity vs individuality  
**EMPHASIS ON CONFORMITY OVER INDIVIDUALITY**
11. Informal vs formal procedures  
**INFORMAL PROCEDURES**
12. Cooperation vs competition among fellow workers  
**COOPERATION**
13. High vs low loyalty  
**LOYALTY**
14. Intrinsic vs extrinsic commitment  
**INTRINSIC COMMITMENT**

### Customer Orientation

This same two step research process for investigating construct domain results in extensions to the previous work by Saxe and Weitz (1982). As developed earlier (pp. 58-60), this extension of the domain of customer orientation posits a multi-dimensional construct composed of eight components:

1. Possesses a willingness to help customers.  
**WILLING**
2. Assesses customer needs through 2-way communication.  
**ASSESS**
3. Uses understanding rather than manipulation.  
**MANIPULATE**
4. Avoids use of deceitful practices.  
**DECEIT**
5. Builds value by offering products that satisfy customer needs.  
**SATISFY**
6. Represents customer to the company.  
**REPRESENT**
7. Practices the double win philosophy.  
**DOUBLE-WIN**
8. Evaluates customer satisfaction and provides follow-up activities.  
**EVALUATE**

### Generation of Multiple Item Statements

For each of the two constructs of interest in this study, the above posited domain elements serve as a framework for the generation of multiple item statements to design scales measuring the constructs.

Organizational Culture. Using the fourteen posited elements making up the organizational culture concept, a total of 140 different item statements were composed (Appendix A). Initial refinement of these items based on discussion with scholars and practitioners, face validity, and redundancy resulted in a reduced list of 74 different item statements for use in the first data collection and purification steps.

Customer Orientation. A total of 80 separate item statements, including the 24 items used by Saxe and Weitz (1982) in their SOCO Scale were composed for the eight elements posited for the customer

orientation construct (Appendix A). Close examination and comparison of these item statements allowed the redundant items to be deleted. Further input resulting from discussion with scholars and practitioners reduced this initial list of items to a total of 42 item statements. All 24 of the SOCO Scale items (Saxe and Weitz 1982) are included in this listing.

#### First Data Collection: Pre-Pilot Survey

This first data collection step was undertaken in order to provide data for further reduction in the number of organizational culture item statements. The survey instrument (Appendix B) is a three page questionnaire consisting of the 74 organizational culture item statements structured as seven point, bi-polar, Likert scales. Both positive and negative phrasing are included to assist in controlling for bias from yea/nea saying. Reverse scoring for many questions was done such that higher scores on items reflect a Type Z or Clan type of organizational culture and high customer orientation respectively. Questionnaires were personally distributed to the individual participants in the pre-pilot survey sample. Of the 108 completed surveys, 97 were returned using postage paid envelopes provided with each questionnaire. The remaining 11 completed instruments were hand delivered to the researcher.

Although purposefully scattered throughout the questionnaire, the item statements were first clustered according to the a priori item statement groups corresponding to the posited components of organizational culture. Within these groups, item-to-total correlations and Cronbach's alpha (1951) were used to identify and delete statements not tapping the core issue of each individual component. While adhering to a requirement of multiple items for each posited component, this stage of analysis deleted 20 item statements, reducing the total to 54 statements addressing organizational culture. Additional insights

gleaned from the item-to-total correlations were used to make revisions in the wording of several statements to better tap and sample the common components.

The Cronbach alpha estimates of reliability for each element resulting from this preliminary stage of purification are given in Table 9. With four exceptions, the reliability estimates exceeded .70. The lower reliabilities for (1) DECENTRALIZED DECISION MAKING (.658), and (2) EMPHASIS ON CONFORMITY OVER INDIVIDUALITY (.685) were dealt with through revisions in wording. The basic theme of each item was kept intact, while "wordiness" was reduced and clarity in phrasing and meaning increased.

TABLE 9  
RELIABILITY ESTIMATES RESULTING FROM ANALYSIS OF  
PRE-PILOT SURVEY RESULTS BY POSITED COMPONENTS  
OF ORGANIZATIONAL CULTURE

ELEMENT	NO. ITEMS	ALPHA
NON-REDTAPE	4	.716
NONCOMPLEX	3	.775
DECENTRALIZED DECISION MAKING	4	.658
PREDISPOSED TOWARD CHANGE	4	.722
SOCIAL EMPHASIS	4	.703
FOCUS ON INNOVATION	4	.788
PARTICIPATIVE DECISION MAKING	4	.705
SYSTEMATIC PLANNING	3	.893
REWARDS BASED ON TEAM PERFORMANCE	4	.055
EMPHASIS ON CONFORMITY OVER INDIVIDUALITY	4	.685
INFORMAL PROCEDURES	4	.368
COOPERATION	4	.759
LOYALTY	4	.716
INTRINSIC COMMITMENT	4	.751
TOTAL REMAINING ITEM STATEMENTS	54	

More serious problems were indicated in the two components: (1) INFORMAL PROCEDURES with an alpha of .3684, and (2) REWARDS BASED ON TEAM CONTRIBUTIONS with an alpha of -.0552. Discussions with both scholars and practitioners led to major revisions in the phrasing of the items associated with INFORMAL PROCEDURES. The basic themes were felt to be accurate for the component being tapped. However, the statements were too academic in phrasing for the typical employee to interpret.

The serious lack of reliability for the posited component REWARDS BASED ON TEAM CONTRIBUTIONS was more problematic than revisions in wording could address. Further research and discussion with researchers in this area indicated that even though the organizational behavior literature puts forth this component as a single dimension of organizational culture, in reality, it is perceived as two continuums rather than the bi-polar extremes of a single continuum. The data from this study supports the lack of mutual exclusivity for (a) individual rewards and (b) team rewards. Furthermore, while the literature views rewards based on individual performance as detrimental to organizational performance and rewards based on team performance as a positive influence on organizational performance, the data supports rewards based on individual performance coexisting with rewards based on team performance. Additionally, either or even both could have a positive impact upon organizational performance.

This research into reward systems brings into question whether reward systems can properly be included as an element of organizational culture. Interviews with researchers, practitioners and employees provided support for reward systems being a manifestation of the underlying values of the organization, and thus by definition more of a climate characteristic than culture. Additionally, if reward systems could be properly included as a culture element, it should be from a perceived equity perspective and not from individual performance vs. team performance. Reward systems should be (1) equitable and evenhanded

in dealing with employees; (2) performance based (team and/or individual) rather than based on non-performance criteria such as seniority, favoritism, and position.

In order to assure that our scale includes the most inclusive domain possible for the construct, item statements tapping this reward element remain a part of the scale in this earliest stage of analysis. However, the four item statements representing this potential element have been rewritten to reflect the revised interpretation of the component's core meaning. These revisions are given in Table 10.

TABLE 10  
REVISED ITEM STATEMENTS FOR REWARD COMPONENT  
IN THE PRE-PILOT SURVEY

ORIGINAL ITEM STATEMENT	REVISED ITEM STATEMENT
The organization bases rewards on the basis of overall team or organization performance.	A major part of employee rewards and recognition is based on criteria other than performance (things such as seniority, favoritism, position, and etc.). [R]
Rewards and recognition are based on individual accomplishments. [R]	A major part of employee rewards and recognition is based on that individual's performance [R].
Performance is judged primarily on results of the individual, rather than on methods by which the results are achieved. [R]	A major component of employee rewards and recognition is based on the overall performance of the work group.
Performance evaluations focus on the immediate time frame with little consideration of long term consequences. [R]	Appraisal criteria for rewards and recognition are equitable and evenhanded.

[R] Denotes reverse score item.

## Second data Collection: Pilot Survey

This study's pilot survey corresponds to the first data collection in Churchill's (1979) recommended scale development process. The results of this survey are used in further reducing the total number of scale items and assessing the reliability of the resulting scale.

As designed, the pilot survey uses a four section questionnaire containing the item statements for both constructs of interest (Appendix C). Section One includes the 54 item statements representing organizational culture (statement numbers 2-55) and two items (statement numbers 56-57) measuring value congruence. The number one item was included simply as a potential classification item. Continuing the design from the pre-pilot survey, a seven point Likert scale was used.

Section Two is composed of 11 statements focusing on turn-over intent and several organizational issues. These items do not relate to this study, but are included in the survey instrument as incentives for the firms working with us and allowing access to their salespeople.

Section Three contains the 42 item statements representing the customer orientation construct. These 42 statements are measured as 9 point Likert scales. The 9 point scale corresponds to Saxe and Weitz's (1982) format in their SOCO scale. Their research revealed that few, self-reporting salespeople mark in the lower half of the scale, resulting in a distribution highly skewed toward the high end. To lessen these ceiling effects and lower the skewness level, Saxe and Weitz (1982, p. 347) used the 9 point scale rather than 7 points. Remaining true to this study's intent of extending the SOCO scale to include the new domain components, the instrument continues to use the 9 point scale.

## Item Reduction

Separate and independent analysis was performed on the results from the pilot survey for further item reduction on both scales. This

analysis included the use of item-to-total correlations, Cronbach's Alpha, and factor analysis (Churchill 1979).

Use of item-to-total correlations and alpha results in an estimate of the proportion of variance attributable to a common factor among the items (Cronbach 1951, p. 331). Scrutiny of the item-to-total and alpha scores allows reduction of the number of item statements. The deletion of items not sharing this common factor improves both the interpretability and reliability estimate for the resulting scale. The further deletion of redundant items is also desired. Although lengthening the test through redundancy can increase estimates of reliability, this redundancy carries less information than a given set of independent items (Cronbach 1951, p. 328-331) of the same number. Furthermore, the increased test length resulting from redundancy limits researchers' ability to obtain separate measures of additional factors at the same time (Cronbach 1951, p. 330). In a similar manner, the increased test length resulting from redundancy further increases potential bias in responses due to an increased tedium factor on the part of participants. In summarizing this point, Cronbach (1951, p. 330) states that from the viewpoint of both interpretability and efficient prediction of criteria the preferred set of scale items "should be a set of items having a substantial alpha and not capable of further division into discrete item clusters which themselves have high alpha's."

Factor analysis provides additional insights into the common factor among the a priori sets of item statements. Factor analysis is also used as an additional purification and item reduction technique through factoring the matrix of correlations into its basic dimensions and further indicating those item statements best reflecting the underlying dimensions of the construct being studied.

The use of factor analysis in this study goes beyond purification and the development of more parsimonious measures. A major substantive



use of factor analysis is in exploring new domains in search for the underlying dimensions of a construct (Rummell 1970, p. 31; Green, Tull and Albaum 1988, p. 555). The underlying dimensionality of organizational culture lacks empirical examination (pp. 26-28, 60-62). Consequently, a major contribution of this study will be the investigation and explication of the dimensions of organizational culture. This exploration of dimensionality is also important for the customer orientation construct. Although previous investigation of this construct depicts it as a uni-dimensional construct, more recent characterizations of this construct have added dimensions concerned with relational development and maintenance (pp. 21-23, 58-60). Consequently, factor analysis will be utilized to empirically explicate the dimensionality of this extended and more inclusive domain of customer orientation.

#### Organizational Culture

With the twin objectives of (1) further reducing and purifying the list of item statements resulting from the pre-pilot test and analysis, and (2) improving the alpha estimates of reliability, responses to this pilot survey were analyzed using item-to-total correlations and Cronbach alphas.

#### Item-To-Total Correlation and Alpha Analysis

Table 11 indicates the results of initial analysis of the proposed 14 dimensions of culture as assessed by the 54 organizational culture items. As the result of this analysis, 19 items were deleted from the scale. The remaining 35 items were then factor analyzed to investigate dimensionality.

TABLE 11  
PILOT TEST ITEM-TO-TOTAL CORRELATIONS AND ALPHA  
STATISTICS FOR ORGANIZATIONAL CULTURE

ELEMENT/Statement Item	ALPHA	I-T-C	ALPHA IF DROP
<u>NON-REDTAPE</u>	.525		
X12 Major emphasis is placed on monitoring the external environment.		.398	.380
X51 Within the workgroup, a major emphasis is on internal details (things such as organizational routines, policies, paperwork, operations, and etc.). [R]		.174	.570
X 4 There is more concern regarding internal details (such as meetings, quotas, paperwork, reports, and etc.). [R]		.345	.423
X 6 Identifying and reacting to the external environment is a major concern.		.350	.422
<u>NONCOMPLEX</u>	.695		
X37 There are many different job titles. [R]		.635	.445
X32 There are many different departments. [R]		.529	.579
X 9 There are several levels of supervisors. [R]		.385	.752
<u>DECENTRALIZED DECISION MAKING</u>	.554		
X21 Top levels of management make most of the major decisions. [R]		.186	.587
X27 Employees are encouraged to make routine decisions affecting their work situations.		.423	.417
X34 Employees are not allowed to make decisions. [R]		.371	.453
X13 Authority for decision making is frequently delegated to lower levels of the organization.		.386	.439
<u>PREDISPOSED TOWARD CHANGE</u>	.629		
X 8 Plans are frequently adjusted to meet challenges and opportunities.		.482	.502
X22 Individuals are encouraged to change their behavior in order to meet challenges and opportunities.		.369	.587
X28 When presented with changing conditions, changes are made to deal with the new conditions.		.508	.498
X31 Our work group is slow to react when conditions change. [R]		.302	.643
<u>SOCIAL EMPHASIS</u>	.710		
X24 Personal needs of employees are secondary to the successful completion of the job itself. [R]		.531	.626
X15 Careful attention to job details is more important than personal needs of employees. [R]		.492	.649
X10 Management is understanding and stresses achievement of the employee's needs.		.397	.711

TABLE 11 (Continued)

ELEMENT/Statement Item	ALPHA	I-T-C	ALPHA IF DROP
X33 Fulfillment of job requirements is more important than employee's personal needs on the job. [R]		.576	.598
<u>FOCUS ON INNOVATION</u>	.615		
X11 Innovative behavior is encouraged in response to changing needs and opportunities.		.466	.490
X29 Conformity to policy is favored rather than flexibility and innovation. [R]		.203	.678
X30 Employees are allowed to be creative in solving problems as they occur.		.447	.506
X20 Our work group is very innovative in its approach to problems.		.484	.475
<u>PARTICIPATIVE DECISION MAKING</u>	.737		
X38 Employees have input in setting standards by which their performance is judged.		.538	.673
X25 Supervisors consult with employees before making decision affecting those employees.		.476	.711
X40 Most decision are made jointly by members of our work group.		.557	.662
X50 Work group members have input regarding major decisions affecting the organization's success.		.550	.667
<u>SYSTEMATIC PLANNING</u>	.754		
X55 Rather than plan ahead for change, the organization reacts to changes after they occur. [R]		.481	.791
X35 Changes are anticipated and planned for.		.641	.603
X41 Changing situations are anticipated and plans are made accordingly.		.639	.612
<u>REWARD SYSTEMS BASED ON TEAM PERFORMANCE</u>	.610		
X14 A major part of employee rewards and recognition is based on criteria other than performance (things such as seniority, favoritism, position, etc.). [R]		.333	.595
X23 A major part of employee rewards and recognition is based on that individual's performance. [R]		.482	.473
X16 A major component of employee rewards and recognition is based on the overall performance of the work group.		.255	.632
X42 Appraisal criteria for rewards and recognition are equitable and even-handed.		.524	.442
<u>EMPHASIS ON CONFORMITY OVER INDIVIDUALITY</u>	.522		
X39 Employees are encouraged to produce novel solutions to non-routine problems and situations.		.398	.369
X54 Employees are allowed to decide how to best perform their job.		.424	.340

TABLE 11 (Continued)

ELEMENT/Statement Item	ALPHA	I-T-C	ALPHA IF DROP
X52 Employees are required to act in conformity with work rules. [R]		.005	.664
X36 Employees are motivated to exercise initiative.		.450	.315
<b>INFORMAL PROCEDURES</b>	.391		
X26 Following formal rules and procedures is encouraged. [R]		.298	.188
X53 The behavior of work group members is strictly regulated by formal rules and procedures. [R]		.346	.055
X44 Employees' behavior is determined more by co-workers than by formal rules and procedures.		.081	.592
<b>COOPERATION</b>	.793		
X43 Work group members go out of their way to help co-workers.		.575	.753
X56 Individual employees try to make the work group operate as a team.		.562	.757
X45 Employees work together in order to better deal with competition from other companies.		.593	.747
X46 Group members cooperate with members of other work groups in the organization.		.495	.777
X57 Overall, my work group operates as a team.			.642
	.732		
<b>LOYALTY</b>	.767		
X 7 Employees show genuine concern for the problems that face the organization.		.519	.736
X47 Work group members would be willing to make sacrifices for the good of the organization.		.615	.686
X48 Employees feel that the organization's problems are their own problems.		.500	.747
X49 Employees feel their first loyalty is to the organization.		.638	.671
<b>INTRINSIC COMMITMENT</b>	.738		
X18 Employees are motivated by the enjoyment to be found in work activities.		.673	.594
X 5 Employees are motivated by personal commitment to goal achievements.		.402	.751
X19 Work is performed out of the desire to gain respect of co-workers.		.470	.710
X17 Employees are motivated by the satisfaction that comes from just doing a good job.		.590	.642

[R] Denotes reverse scored item.

This stage of analysis provided support for deleting 19 items, reducing the total number of items at this stage of analysis to 35. Statements X51 ( $r=.174$ ), X21 ( $r=.186$ ), X29 ( $r=.203$ ), X16 ( $r=.255$ ), X52 ( $r=.005$ ), X31 ( $r=.302$ ), X14 ( $r=.333$ ), and X44 ( $r=.081$ ) were deleted due to their failure to exhibit adequate inter-item-correlation scores. Item X9 ( $r=.385$ ) makes little contribution to the NONCOMPLEX component and its deletion increases alpha from .695 to .752. Item X10 was deleted due to the statement being a combination of two statements and the resulting low correlation of .397. Item X25 was criticized for assessing supervisor-employee communication rather than the concept of actual participative decision style and was consequently deleted. The complex phrase structure in items X55 and X50 weakens their contribution in describing their respective core factors, thus both items were deleted from list of items. Close examination of items X48, X20, and X5 indicates that none of these items add significant information to their respective scale sets and the items were consequently deleted. In a similar fashion inspection of item X7 reveals that the statement "concern for the organization's problems" is not assessing the intended core factor of LOYALTY, leading to its deletion. The phrase "delegated to lower levels" is not specific enough to assess decentralized decision making. Consequently, statement X13 is removed from the item list. The final item deleted at this stage was X50 which assesses employee participation in decision making rather than the intended EMPHASIS ON CONFORMITY OVER INDIVIDUALITY component.

### Factor Analysis

The 35 item statements remaining from this initial purification analysis formed the basis for the initial factor analysis. This factor analysis was guided by two objectives: (1) to investigate and explicate the dimensionality of this construct, and (2) to further reduce the

total number of items within each dimension to a more parsimonious set with improved reliability estimates.

Initial factor analysis was conducted using the principal component method with the number of factors based on the criteria of eigenvalues equal to or greater than 1.0. Varimax orthogonal rotation was used to improve interpretability of the factors and to allow the subsequent use of the common factors as dimensions in further relational analysis of the data (Hair et al. 1992, pp. 234-235).

The organizational culture literature posits fourteen different dimensions (pp. 26-28). However, close scrutiny of the content of the initial scale items supports a more parsimonious number of general factors. This qualitative appraisal bears the expectation that factor analysis will suggest that the originally posited fourteen dimensions might well be captured in fewer dimensions.

Recognizing that the eigenvalue criteria might yield more factors than is required to meaningfully describe the culture domain (Hair et al. 1992, pp. 236-237), the question of how many factors to keep is very important. In addressing the proper number of factors to retain, Rummell (1970) recommends using more than one criteria. This study combines four different criteria: (a) the eigenvalue equal to one (Kaiser 1960), (b) discontinuity (Cattell 1958, 1966), (c) the scree plot (Cattell 1966), and (d) the interpretability or meaningfulness of the resulting structure (Rummell 1970). These criteria were applied as part of the factor analyses.

Eigenvalue Equal to One. This cut-off criteria keeps eight factors. Examination of the eigenvalues (Table 12) across the eight factors displays a range from 9.317 to 1.009.

Discontinuity Criteria. Applying Cattell's (1958, 1966) discontinuity criteria to the data in Table 12 indicates a discontinuity at the point of the seventh and eighth factors. This discontinuity is

indicated by the change in eigenvalues rising from .05 at the 6th factor to .17 at the 7th factor, .18 at the 8th factor and decreasing to .07 at the 9th factor. Interpretation of this point of discontinuity would indicate keeping either six or seven factors.

TABLE 12  
SUMMARY OF ORGANIZATIONAL CULTURE FACTOR EIGENVALUES

FACTOR NUMBER	EIGENVALUE	CHANGE IN EIGENVALUES	PCT OF VARIANCE	CHANGE IN % OF VAR.
1	9.317		26.6	
2	2.759	6.56	7.9	18.7
3	2.019	.74	5.8	2.1
4	1.501	.52	4.3	1.5
5	1.393	.11	4.0	.3
6	1.350	.05	3.9	.1
7	1.184	.17	3.4	.5
8	1.009	.18	2.9	.5
9	.944	.07	2.7	.2
10	.850	.10	2.4	.3
11	.808	.05	2.3	.1
12	.794	.02	2.3	.0
13	.737	.06	2.1	.2
14	.715	.03	2.0	.1

Scree Plot. Figure 8 reproduces the scree plot from this unrestricted initial analysis. Information provided within the scree plot echoes the borderline benefits of identifying the eighth factor. This interpretation favors a seven factor solution.

Interpretability Criteria. The previous three criteria clearly favor between 6 and 8 factors. Consequently, the computation and

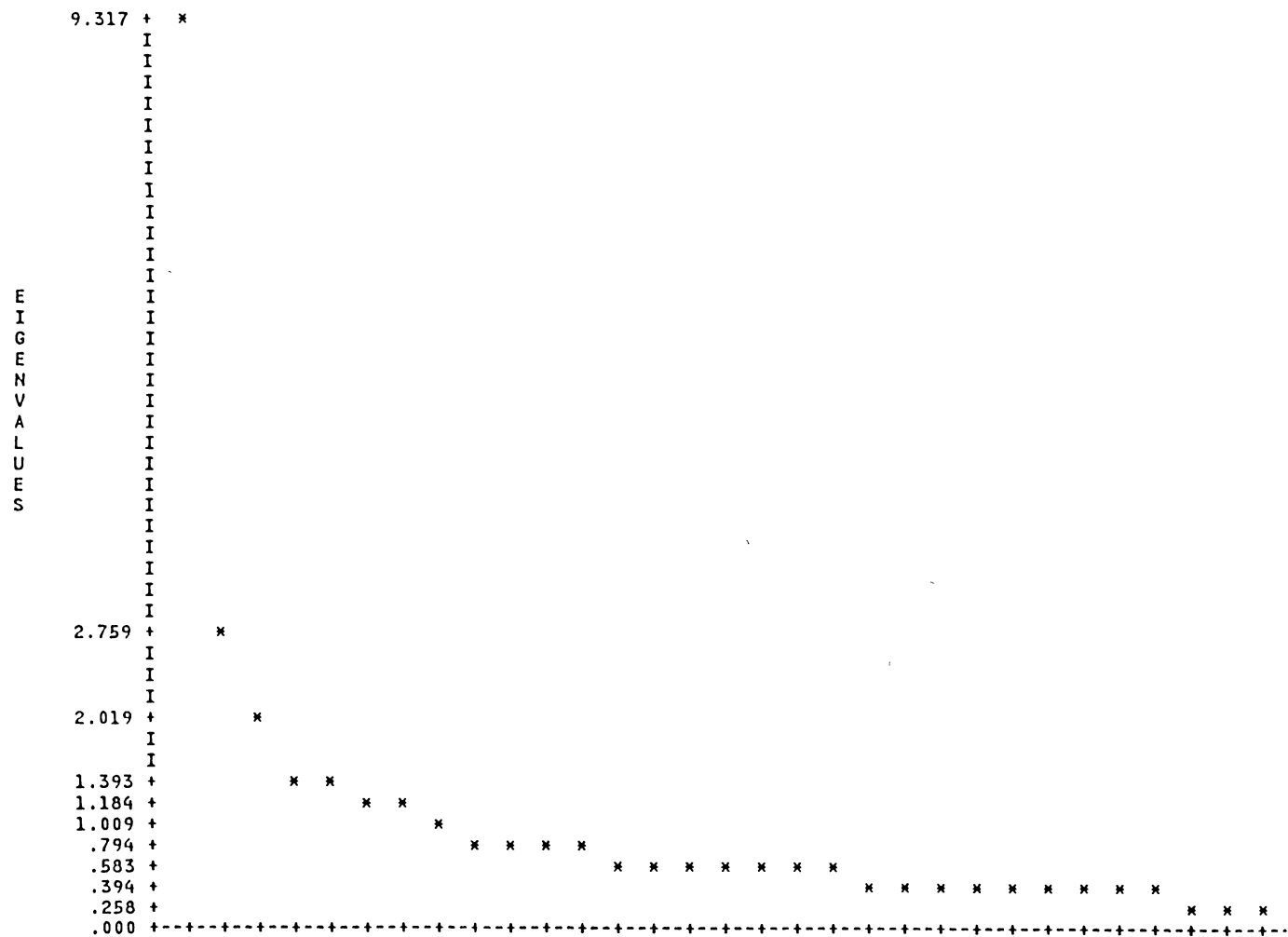


Figure 8. Scree Plot of Unrestricted Factor Analysis on Organizational Culture Data



comparison of the interpretability or meaningfulness criteria for 6, 7, and 8 factor solutions becomes important.

By excluding both the seventh factor (eigenvalue 1.184) and eighth factor (eigenvalue 1.009), final statistics indicate the six factor solution explains 52.4 percent of the total variance. Interpretability of this solution (Table 13) is very poor due to its collapsing the following seven, of the originally posited 14 components into a single factor:

DECENTRALIZED DECISION MAKING	X27, X34
EMPHASIS ON CONFORMITY OVER INDIVIDUALITY	X39, X36
REWARDS BASED ON TEAM PERFORMANCE	X23, X42
FOCUS ON INNOVATION	X30, X11
PREDISPOSED TOWARD CHANGE	X28, X8
SYSTEMATIC PLANNING	X41, X35
PARTICIPATIVE DECISION MAKING	X38, X40

Prior subjective content analysis supports that some of these items could well contribute to the 6 dimension solution. Nevertheless, this six factor solution forces items together that are not generalizable across different situations. Both our previous examination and logic supports combining together the components of DECENTRALIZED DECISION MAKING, ENCOURAGING INNOVATIVE BEHAVIOR, and PARTICIPATIVE MANAGEMENT. Nevertheless, there is no theoretical or intuitive support for bringing the components of REWARDS BASED ON PERFORMANCE, PREDISPOSITION TOWARD CHANGE, and SYSTEMATIC PLANNING together into this same general factor. Consequently, the six factor solution is lacking in both interpretability and meaningfulness.

Examination of final statistics from the seven factor solution reveals that it explains 55.8 percent of the variance. Inspection of the factor structure (Table 14) reveals an interpretable and meaningful solution.

Further examination of the seven factor solution in Table 14, illustrates that the combinations of initially proposed dimensions fit the a priori expectations of the more general factors underlying the data matrix. Item statements addressing the components FOCUS ON

TABLE 13  
ORGANIZATIONAL CULTURE FACTOR ANALYSIS  
SIX FACTOR SOLUTION

	FACTOR 1	FACTOR 2	FACTOR 3	FACTOR 4	FACTOR 5	FACTOR 6
X39	.65291	.03874	.13765	.17675	.07649	-.04104
X27	.63885	.09730	-.00048	.23297	.01943	.06239
X23	.61108	.10867	-.05561	.07235	.19424	-.04069
X30	.60966	.09896	.18008	.23261	-.02357	.19876
X11	.59865	.18508	.07466	.11516	.34284	.01282
X28	.58500	.32316	-.16647	-.06354	.22711	.03281
X41	.58313	.37072	.09620	.00180	.11643	-.13786
X36	.58144	.25368	.21644	.26146	.10729	.01429
X42	.55594	.34490	.13479	-.03150	.09170	-.14871
X35	.55064	.30435	.03628	-.09998	.13012	-.12370
X34	.54321	.11124	.35689	.08570	.03638	.21152
X38	.51794	.11269	.27292	.30169	-.08492	-.22841
X8	.51761	.25088	-.00067	.08029	.34057	.09341
X40	.49567	.16873	.23438	.33656	-.13913	-.11444
X43	-.00590	.76356	.05267	.14111	.02605	.01955
X57	.21444	.69006	.05521	.14827	.17656	-.00050
X56	.21117	.65334	-.00519	.11404	.11547	.07662
X45	.24873	.60606	.03228	.26656	.13749	-.03345
X46	.27320	.59639	-.05159	.06145	-.02745	-.00924
X47	.33074	.58660	.10342	.29740	.13482	.01529
X49	.22929	.48094	.02522	.39156	.17615	-.05858
X33	.28140	.12871	.68200	.03473	-.00298	.04586
X15	.15812	.14084	.68034	-.05537	-.00102	-.05911
X24	.16070	.07743	.67635	.04221	.03339	.01784
X53	-.09299	-.21446	.57833	.00867	.13648	.23840
X26	-.33740	-.27118	.47957	.16603	.01411	.14806
X18	.23108	.27160	.09837	.75267	.07119	.10632
X17	.14643	.28302	-.01291	.68232	.05245	.14543
X19	.11210	.14171	-.05083	.65154	.19562	-.07441
X12	.17469	.19436	.02664	.18487	.72070	-.08281
X6	.12976	.14249	.06659	.21325	.68936	-.09617
X4	.11977	.02782	.33890	-.16771	.48233	.20557
X22	.40414	.08173	-.26957	.04398	.40586	-.03207
X37	-.03552	-.00279	.06727	.02914	-.04298	.84172
X32	-.00227	.03599	.14056	.04440	-.02594	.82890

TABLE 14  
ORGANIZATIONAL CULTURE FACTOR ANALYSIS  
SEVEN FACTOR SOLUTION

	FACTOR 1	FACTOR 2	FACTOR 3	FACTOR 4	FACTOR 5	FACTOR 6	FACTOR 7
X30	.70451	.16403	.06651	.08887	.10935	.05487	.15080
X39	.68597	.08923	.15792	.08112	.07160	.14833	-.08076
X27	.66725	.14444	.19339	-.04575	.13638	.07996	.02045
X36	.61493	.29207	.12884	.17047	.17493	.17194	-.01675
X34	.59363	.15038	.05492	.29192	-.00467	.11321	.18846
X38	.54164	.11727	.11692	.27633	.24193	-.02878	-.23516
X40	.53695	.17711	.10164	.23118	.27445	-.08554	-.12495
X43	-.02043	.76216	.05909	.07750	.15621	.01480	.01478
X57	.20862	.71969	.10874	.03940	.11796	.19090	-.02795
X56	.25502	.71367	.06075	-.06313	.05050	.13695	.02802
X45	.19900	.59640	.17566	.06998	.27169	.14228	-.03672
X46	.16478	.56807	.28109	.03308	.09012	-.03081	.00010
X47	.26189	.56141	.20967	.15800	.31050	.14662	.02344
X26	.00962	-.15416	-.65326	.22955	.02497	.06672	.08828
X53	.22166	-.07960	-.55839	.31027	-.16059	.21762	.16804
X42	.26286	.22623	.53565	.34692	.07323	.09570	-.07439
X35	.27639	.21246	.52511	.21586	-.01812	.13561	-.06869
X23	.36368	.02377	.51275	.10117	.13879	.20382	.00597
X28	.37179	.28763	.49703	-.06225	-.03496	.23851	.04417
X41	.35727	.29675	.47323	.24633	.05688	.13318	-.09536
X11	.37764	.11389	.44362	.19755	.16845	.36220	.05381
X8	.30215	.18571	.42724	.11479	.13719	.35026	.12894
X33	.21081	.05491	.04848	.75480	.07337	.04067	.11008
X24	.10244	.00270	-.01259	.74233	.08928	.06784	.08400
X15	.12566	.09228	-.03620	.71992	-.03451	.04014	-.00984
X18	.27388	.24201	.02465	.11623	.75296	.08219	.11514
X17	.14811	.23613	.06810	.03649	.71399	.04412	.16460
X19	.15204	.13158	.00323	-.05242	.64726	.19277	-.07998
X49	.10229	.40999	.25131	.13971	.46101	.16161	-.02168
X12	.04750	.17204	.17065	.05088	.22177	.71617	-.07297
X6	.03246	.12477	.11019	.07660	.24276	.68708	-.08785
X4	.22202	.12295	-.18993	.16890	-.27197	.54052	.15320
X22	.21827	.05183	.39439	-.19307	.07843	.40062	-.02526
X32	-.00271	.00327	-.04638	.13961	.07774	-.01969	.85744
X37	.01098	-.00536	-.10048	.02519	.03284	-.03384	.84894

INNOVATION (X30), EMPHASIS ON CONFORMITY OVER INDIVIDUALITY (X39, X36), DECENTRALIZED DECISION MAKING (X27, X34), and PARTICIPATIVE DECISION MAKING (X38, X40) provide a single general factor that can be interpreted as EMPOWERMENT. The COOPERATION (X43, X57, X56, X45, X46) and LOYALTY (X47) elements combine to reflect a cooperative relationship and henceforth are labeled TEAM. Further matching the a priori expectations, the original INFORMAL PROCEDURES (X26, X53), PREDISPOSED TOWARD CHANGE (X28, X8), REWARDS BASED ON TEAM PERFORMANCE (X42, X23), FOCUS ON INNOVATION (X11), and SYSTEMATIC PLANNING (X35, X41) elements are collapsed into a common factor reflecting proactive planning and implementation and are labeled as PROACTIVE. With the deletion of the cross loading items X22 and X49, the NON-REDTAPE (12, X6, X4), SOCIAL EMPHASIS (X33, X24, X15), INTRINSIC COMMITMENT (X18, X17, 19), and NONCOMPLEX (X32, X37) items constitute separate and distinct factors hereafter labeled NON-REDTAPE, SOCIAL, COMMITMENT, AND NONCOMPLEX, respectfully. These four general factors further support the a priori dimensionality of the organizational culture construct. Although numerous cross loadings are evident, supporting the need for additional subsequent purification, the seven factor solution is thus supported by three of the four different criteria used: (1) discontinuity, (2) scree plot, and (3) interpretability and meaningfulness.

The eigenvalue criteria explains 58.7 percent of the variance, a positive, although limited, improvement over the 55.8 percent explained by the seven factor structure. However, close inspection of the eight factor structure (Table 15) also brings into question the meaningfulness of this solution. In going from 7 to 8 factors, the additional factor is developed through separating the SYSTEMATIC PLANNING component from the PROACTIVE general factor. This results in even more cross loadings of item statements than the seven factor solution and goes against a priori expectations of systematic rather than reactive, ad hoc planning

TABLE 15  
ORGANIZATIONAL CULTURE FACTOR ANALYSIS  
EIGHT FACTOR SOLUTION

	FACTOR 1	FACTOR 2	FACTOR 3	FACTOR 4	FACTOR 5	FACTOR 6	FACTOR 7	FACTOR 8
X30	.69916	.16535	.09259	.10922	.11604	.02814	.03858	.14475
X39	.68263	.08059	.11842	.06233	.06741	.15122	.17572	-.06550
X27	.65678	.15282	.24956	-.00175	.14690	.02842	.02345	.00204
X36	.60985	.28548	.09806	.16008	.17424	.16968	.15469	-.00803
X34	.58175	.16784	.15722	.36677	.01558	.04082	-.09237	.15013
X38	.53250	.09619	-.00847	.22253	.23561	.01036	.28990	-.20797
X40	.53192	.14492	-.08272	.13911	.25989	-.01335	.37655	-.07619
X43	-.02517	.75821	.01554	.06971	.15916	.01641	.09853	.01564
X56	.25100	.72874	.14452	-.00563	.06580	.07855	-.08364	-.00124
X57	.20448	.72473	.12721	.06103	.12439	.16239	.03954	-.03915
X45	.19171	.59173	.13477	.06131	.27108	.13973	.15356	-.03254
X47	.25021	.55914	.17866	.16087	.31287	.13311	.15380	.02099
X46	.15801	.54397	.10691	-.04240	.07501	.01762	.37996	.04039
X26	.03984	-.16807	-.65421	.17435	.01742	.14236	-.17441	.11796
X22	.20128	.09271	.61226	-.05474	.09936	.26333	-.20052	-.09381
X23	.33870	.03643	.54232	.15431	.14544	.13492	.14248	-.02039
X28	.35388	.30083	.53199	-.01260	-.02993	.16864	.12747	.02254
X53	.24700	-.07813	-.48073	.30789	-.15807	.23922	-.25177	.17181
X8	.28833	.19028	.42457	.13178	.13355	.31445	.17600	.12405
X11	.36199	.11533	.42183	.20610	.16341	.33332	.22043	.05277
X42	.23672	.21627	.40707	.32466	.06723	.08997	.39609	-.06515
X24	.08415	.01227	.01357	.78798	.10580	.03162	-.01897	.05094
X33	.19220	.05543	.01770	.77163	.08381	.02487	.09719	.09340
X15	.11419	.08727	-.09467	.71283	-.02909	.04752	.11015	-.01401
X18	.26617	.23618	.01793	.11218	.75476	.08961	.06448	.11641
X17	.13911	.23290	.06776	.03910	.71616	.04465	.05127	.16228
X19	.14813	.13871	.07698	-.02055	.65346	.17060	-.07876	-.09676
X49	.08649	.41218	.24281	.15691	.46477	.13852	.11966	-.03339
X12	.06106	.16089	.12297	-.00866	.19442	.75844	.18350	-.03413
X6	.04615	.11581	.08022	.02579	.21858	.72538	.13542	-.05463
X4	.23736	.14609	-.02182	.23246	-.26375	.48653	-.27694	.12555
X35	.26528	.17644	.25958	.09511	-.04950	.21215	.61412	-.00233
X41	.34686	.25969	.20992	.12520	.02732	.21198	.60534	-.02922
X37	.02091	-.01515	-.13184	-.01156	.02255	.00059	.01413	.87452
X32	-.00199	.00532	-.02307	.14747	.07829	-.02445	-.05637	.85676

being required for a proactive organization. Further investigation and purification based on the eight factor solution was conducted, and compared to the ending structure from purification of the seven factor solution. The final result of this analysis leaves X22 as the single item loading on one factor, while each of the other seven factors have the same loading patterns offered in the final purified seven factor structure. The eight factor structure offers no additional information and lacks the interpretability and meaningfulness of the seven factor structure. Consequently, the seven factor structure offers the best explication of organizational culture's dimensionality.

Taken together, the criteria for determining the number of factors generally favor the seven factor solution. The six factor solution is only partially supported by one of the four criteria. Moreover, the restrictions of a six factor solution artificially forces components into a primary factor that cannot be supported by either theory or logic. In a similar fashion, while the eight factor solution is marginally supported by the eigenvalue equal one criteria, it presents problems in interpretation and meaningfulness and adds little new information through its addition of the eighth factor. The seven factor solution is supported by the three criteria of discontinuity, scree plot, and interpretability. Additional support for the seven factor solution results from the borderline support for the eighth factor in the eigenvalue equal one criteria. With this support from all four criteria, the seven factor solution (Table 14) offers the best illustration and explication of organizational culture's dimensionality.

#### Subsequent Purification and Reduction

Addressing appropriate procedures for scale development where analysis results in the a priori components collapsing into a fewer number of dimensions, Churchill (1979, p. 69) recommends retaining the items having the purest loadings on the new factor and computing a new

alpha. In following this procedure, minimum requirements for retaining items were established. These criteria require factor loadings of .50 with a difference in any cross loadings of .2 as the minimum values for retaining item statements (Hair et al., 1992, p. 239). New alpha's are computed on the purified items for each dimension with the goal of establishing alphas of .60 and better, a level sufficient for most research applications (Nunnally 1978, Churchill 1979).

Using the loadings in the seven factor solution (Table 14), and the criteria for loading values established above, this step of analysis supported the deletion of eight items having loadings below the established criteria. These deleted items not meeting the criteria are X53, X42, X23, X28, X11, X8, X49, and X22.

Four additional items met the minimum criteria, but were deleted due to redundancy, phrasing problems, and/or respondent interpretation problems. First, item X56 (.714) was judged to be redundant to other items loading on factor two and was deleted. Second, Table 16 shows, items X40 and X38 have low correlations with the other items tapping this factor.

Both X40 and X38 were judged to have problems in their phrasing that could be contributing to different respondents having different perceptions of the items' meaning. This lack of consistency in interpretation could prevent the subject items from being generalizable over different work group types, consequently, both items were deleted from further analysis. As the ensuing discussion details, Item X26 was also deleted due to respondent interpretation problems.

The negative loadings posted for items X26 and X53 reflect responses from survey participants that go in a direction opposite what the literature indicates. Contemporary thought in management holds that high reliance on formal rules and procedures is contrary to a proactive organization with innovative and dynamic individuals and work groups.

TABLE 16  
PAIRWISE CORRELATIONS FOR FACTOR ONE ITEMS

	X30	X27	X39	X36	X34	X40	X38
X30	1.00						
X27	.44	1.00					
X39	.42	.40	1.00				
X36	.49	.44	.46	1.00			
X34	.46	.41	.35	.45	1.00		
X40	.36	.34	.46	.40	.30	1.00	
X38	.33	.31	.44	.47	.29	.44	1.00



Both of these items were reverse scored in order to transform low item scores (depicting the absence of strict rules and procedures) into high scores that would positively correspond to a dynamic and changing work group. While this would properly reflect contemporary management thought, the actual scores expressed by respondents indicate something else is occurring. These responses indicate that a significant number of participants are interpreting these two items in such a way that would indicate a positive expectation of adherence to rules and procedures--even in an innovative, changing, and proactive organization. Several personal interviews were conducted with respondents to study this anomaly in the data. Remaining true to their scores, several of these respondents explained that while rules and procedures were expected to change, new rules and procedures would stem from the changes, and behavior would be expected to be governed by the new policies. Due to this possible inconsistency in interpretation from respondent to respondent, both X26 and X53 are deleted from the scale--although X53 has already been deleted due to double loadings.

The above purification analysis and deletion of twelve items results in 23 item scale. The results of a final factor analysis are given in Table 17. Reflecting the positive effects of prior purification steps, the results of this analysis reveals all item statements meeting the minimum threshold cut off criteria: .50 on primary loadings with at least .2 between any cross loadings. With the exception of the NON-REDTAPE dimension, the resulting Cronbach alpha values exceed the criteria of .60 (Table 18).

#### Additional Work Required

The low alpha on the NON-REDTAPE dimension is indicative of the need for additional work required to improve the characteristics of this sub-scale. Further difficulty follows from the measures for two

TABLE 17  
FACTOR LOADINGS ON REDUCED 23 ITEM STATEMENTS  
OF ORGANIZATIONAL CULTURE SCALE

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	FACTOR 1	FACTOR 2	FACTOR 3	FACTOR 4	FACTOR 5	FACTOR 6	FACTOR 7
X43	.76159	-.04522	.17374	.07144	.01053	.03834	.06178
X57	.70916	.21475	.15527	.05433	.15851	-.05744	.05896
X46	.68058	.18342	-.00590	-.04893	.02681	.00374	.21093
X45	.65769	.20404	.22990	.03376	.15427	-.03888	.10367
X47	.61180	.28471	.26804	.12042	.12451	-.00293	.12659
X30	.14553	.74605	.14488	.08785	.02664	.11029	.05522
X27	.11743	.69970	.17720	-.01271	.04089	-.03852	.15264
X34	.15568	.68504	-.01870	.33851	.07180	.12265	-.04177
X36	.29019	.62843	.17919	.13571	.14971	-.02733	.18005
X39	.09171	.61957	.08994	.09126	.14236	-.07312	.26859
X18	.24153	.21610	.78121	.13249	.09743	.09198	.07568
X17	.26457	.10592	.74967	.04428	.02083	.13637	.07804
X19	.13676	.15424	.68780	-.01286	.13307	-.09673	-.01331
X24	-.00829	.06504	.10560	.79911	.03323	.02685	.02400
X33	.09214	.19003	.06347	.77468	.05525	.10652	.04244
X15	.04850	.10034	-.03687	.74044	.03365	.00656	.10961
X12	.17482	.09908	.15576	-.02276	.79747	-.03432	.15749
X6	.09889	.05593	.21461	.04329	.75718	-.05296	.15549
X4	.08148	.24049	-.25574	.22754	.54381	.16365	-.18667
X37	-.05431	.01786	.02064	.00525	-.00244	.88987	.00192
X32	.01839	.03739	.05461	.12805	-.00305	.87057	-.06986
X35	.19954	.20813	.03296	.08685	.10730	-.03450	.81547
X41	.28489	.27018	.09391	.12739	.11974	-.04537	.76893

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TABLE 18  
ALPHA ESTIMATES OF RELIABILITY FOR THE REDUCED 23 ITEM  
STATEMENTS OF ORGANIZATIONAL CULTURE SCALE

DIMENSION	NUMBER OF ITEMS	ALPHA
TEAM	5	.80
EMPOWER	5	.79
PROACTIVE	2	.79
NONCOMPLEX	2	.75
COMMITMENT	3	.75
SOCIAL	3	.71
NON-REDTAPE	3	.56

additional dimensions: NONCOMPLEX and PROACTIVE. Purification reduced both of these sub-scales to only two items and increases the risk of inadequate sampling of the dimensional domains. In addressing these potential problems, the guidance provided by Churchill (1979, p. 69) was followed: using knowledge gained in earlier stages of analysis, additional development work is conducted in order to add new item statements into each of these three dimensional scales. Adding new items at this stage allows them to be further tested and purified in the subsequent data collection and analysis. Four additional item statements were added into the NON-REDTAPE sub-scale and three supplementary item statements were added into each of the PROACTIVE and NONCOMPLEX sub-scales.

NON-REDTAPE. The phrases "external environment" and "external orientation" are routinely used (and hopefully understood) in business school instruction and journals. Nevertheless, the use of these phrases across a wide variety of organization types and educational backgrounds introduces potential problems of common usage and understanding. Statements attempting to assess this dimension have presented problems

of interpretation throughout the various stages of this project. Response patterns in item statements for this dimension give strong indication that respondents are using multiple meanings for the phrases in responding to the scale items. These response patterns are evident in the low item-to-total correlations of the remaining items, X12, X6, and X4 (Table 19). These items are essentially redundant to one another, yet they exhibit low correlations. Toward the objective of improving the overall characteristics of this dimensional scale, four item statements providing a more interpretive view of this dimension were appended to the existing three items. These statements are as follows:

- (1) Rules, administrative details, and red tape are kept to a minimum.
- (2) Major emphasis is placed on work procedures and administrative details. [Reverse Scored]
- (3) Progress often suffers from too much organization and detail. [Reverse Scored]
- (4) Excessive attention to rules and procedures often makes it difficult for new ideas to receive attention. [Reverse Scored]

TABLE 19  
NON-REDTAPE ITEM-TO-TOTAL AND PAIRWISE CORRELATIONS  
ITEMS X12, X6, AND X4

ITEM	CORRELATIONS			
	ITEM-TO TOTAL	X12	PAIRWISE X6	X4
X12	.494	1.00		
X6	.411	.52	1.00	
X4	.231	.25	.16	1.00

PROACTIVE. Interpreting the original dimensionality analysis depicts this dimension as a common factor reflecting the proactive behavior within the work group. This interpretation exposes two key elements running through this dimension: (a) the level of proactive vs. reactive planning in anticipation of change, and (b) the predisposition toward change and adaptivity through the implementation of plans. The two remaining items in this scale address only one of these components, the level of systematic, proactive planning. The implementation component is absent from the scale. To strengthen this deficiency, the following three item statements were added to the scale for testing:

- (1) Plans are implemented in an orderly, systematic fashion.
- (2) Employees act to implement changes in plans.
- (3) Plans are regularly revised in anticipation of changing conditions.

NONCOMPLEX. This dimension is developed from the literature as an assessment of the level of complexity in structure and procedures. This element should consider the complexity of (a) the political and informal processes active in the organization, in addition to (b) formal structure and procedures. The two item statements remaining after purification address only the complexity of formal structure. In order to broaden the domain being sampled in this dimension, the following three items were added to assess political and informal processes:

- (1) The physical arrangement of the work place facilitates interaction.
- (2) There are many lines of authority.
- (3) Group members tend to act independently.

In addition to these item additions, the item statement "There are many different departments" was revised to read "There are many different sub-units." This change was made in order to include the existence of all organizational unit types rather than only those denoted as departments.

The addition of the above 10 item statements brings this intermediate organizational culture scale to a total of 33 items assessing the seven dimensions. This intermediate scale of 33 items

will be further analyzed for reliability and validity in the subsequent data collection and analysis--the field survey.

### Customer Orientation

As detailed in the earlier description of the pilot survey (pp. 71-73), analysis for the customer orientation scale was restricted to the 302 responses from actual salespeople. Conforming to Churchill's (1979) strictures for scale development, this first item reduction step uses an iterative process of item-to-total correlations and alpha computations to eliminate items not tapping the a priori core components of customer orientation. Upon achieving satisfactory alpha scores, factor analysis will be used to empirically investigate the dimensionality of the extended domain of the customer orientation construct.

### Item-to-Total Correlation and Alpha Analysis

The results of the initial analysis of the 42 customer orientation items are detailed in Table 20 and supports the removal of 8 items from the overall scale due to low item-to-total correlations and redundancy. Item Y11 ( $r=.586$ ) was redundant to other items in the scale and was deleted. Items Y4 ( $r=.273$ ), Y17 ( $r=.497$ ), Y33 ( $r=.234$ ), Y31 ( $r=.333$ ), Y15 ( $r=.213$ ), Y42 ( $r=.346$ ), and Y7 ( $r=.217$ ) were deleted due to their respectively low correlations. Four additional item statements, Y12 ( $r=.355$ ), Y32 ( $r=.156$ ), Y27 ( $r=.358$ ), and Y25 ( $r=.382$ ), also posted low item-to-total correlations. Each of these four items were original to Saxe and Weitz's (1982) SOCO Scale. With an objective of this study being the extension of the existing SOCO scale to include a more comprehensive domain of personal selling, it was decided to leave the SOCO scale intact and none of these latter items were deleted.

TABLE 20  
PILOT TEST ITEM-TO-TOTAL CORRELATIONS AND ALPHA  
STATISTICS FOR CUSTOMER ORIENTATION

ELEMENT/Statement Item	ALPHA	I-T-C	ALPHA IF DROP
<u>WILLING</u>	.823		
Y1 I try to bring a customer with a problem together with a product that helps him solve that problem. [S]		.653	.775
Y3 I behave toward customers in a way that conveys my desire to help the customer.		.689	.758
Y11 I am available to customers when they need me.		.586	.806
Y5 A good salesperson has to have the customer's best interest in mind. [S]		.667	.770
<u>ASSESS</u>	.713		
Y6 I try to get customers to discuss their needs with me. [S]		.526	.645
Y8 I spend more time trying to persuade a customer to buy than I do trying to discover his needs. [S,R]		.447	.677
Y10 I try to figure out what a customer's needs are. [S]		.579	.635
Y12 I begin the sales talk for a product before exploring a customer's needs with him. [S,R]		.355	.737
Y14 I try to find out what kind of product would be most helpful to a customer. [S]		.563	.639
<u>SATISFY</u>	.611		
Y16 I try to help customers achieve their goals. [S]		.437	.519
Y4 I offer creative solutions based on customers' needs.		.273	.616
Y18 I offer the product of mine that is best suited to the customer's problem. [S]		.435	.507
Y20 I try to sell as much as I can rather than to satisfy a customer. [S,R]		.451	.496
<u>DECEIT</u>	.808		
Y22 I imply to a customer that something is beyond my control when it is not. [S,R]		.567	.781
Y24 I pretend to agree with customers to please them. [S,R]		.466	.796
Y26 I try to sell a customer all I can convince him to buy, even if I think it is more than a wise customer would buy. [S,R]		.641	.770
Y28 I decide what products to offer on the basis of what I can convince customers to buy, not on the basis of what will satisfy them in the long run. [S,R]		.607	.775
Y30 I try to give customers an accurate expectation of what the product will do for them. [S,R]		.554	.788
Y32 I am willing to disagree with a customer in order to help him make a better decision. [S]		.156	.835

TABLE 20 (Continued)

ELEMENT/Statement Item	ALPHA	I-T-C	ALPHA IF DROP
Y34 It is necessary to stretch the truth in describing a product to a customer. [S,R]		.564	.781
Y36 I paint too rosy a picture of my products, to make them sound as good as possible. [S,R]		.633	.772
Y38 I answer a customer's questions about products as correctly as I can. [S]		.467	.797
<u>MANIPULATE</u>	.759		
Y40 I keep alert for weaknesses in a customer's personality so I can use them to put pressure on him to buy. [S,R]		.588	.689
Y41 If I am not sure a product is right for a customer, I will still apply pressure to get him to buy. [S,R]		.666	.638
Y39 I try to influence customers by information rather than by pressure. [S]		.497	.733
Y17 I work with customers on a basis of mutual understanding rather than using manipulative tactics.		.497	.733
<u>REPRESENT</u>	.675		
Y37 I communicate the needs of the customers back to the company.		.614	.551
Y35 I often make suggestions to the company as to how we can better serve the customer.		.583	.551
Y33 I intercede on behalf of the customer when the customer has a problem with our company or product.		.234	.699
Y31 I work with different departments within the company on behalf of customers.		.333	.667
Y29 I often assist the company in developing products and services based on customer needs and problems.		.426	.630
<u>DOUBLE-WIN</u>	.670		
Y27 I treat a customer as a rival. [S,R]		.358	.642
Y25 I try to achieve my personal goals by satisfying customers. [S]		.382	.634
Y23 I work to achieve company objectives while simultaneously solving customer problems.		.538	.580
Y21 I try to build a relationship with customers based on mutual trust and confidence.		.535	.594
Y19 In selling products, I try to simultaneously represent the interests of the company and the interests of the customer.		.467	.605
Y15 I suggest products that maximize benefits to the company, even when they are not the best match for a customer problem.		.213	.709



TABLE 20 (Continued)

ELEMENT/Statement Item	ALPHA	I-T-C	ALPHA IF DROP
<u>EVALUATE</u>	.576		
Y13 I evaluate the customer's satisfaction after the sale.		.460	.449
Y2 I follow-up my sales to make sure customers are satisfied.		.439	.460
Y42 I don't contact the customer following the sale, it is somebody else's job to take care of problems. [R]		.252	.570
Y9 I quickly take care of customer problems and complaints.		.346	.521
Y7 I leave post-sale activities and problems for customer service people to handle. [R]		.217	.592
<hr/>			
[S] item is from SOCO scale (Saxe and Weitz 1982).			
[R] item is reverse coded.			

### Factor Analysis

The preceding purification process resulted in 34 item statements being considered in the factor analysis. The objectives of this stage of analysis are to (1) empirically investigate the dimensionality of the extended domain of customer orientation, and (2) further reduce the total number of scale items to a more parsimonious set of items with improved estimates of reliability.

Being consistent with the above detailed procedure used to investigate the organizational culture scale, the principal components method of extraction was used in this initial analysis with the number of factors unrestricted through the criteria of minimum eigenvalue equal to one. Varimax orthogonal rotation was used to improve interpretability of the factors and to allow the subsequent use of the common factors as dimensions in further relational analysis of the data (Hair et al., 1992, pp. 234-235).

Consistent with both Rummell (1970) and the preceding investigation of the organizational culture scale items, this study combines four different criteria in addressing the number of factors to keep: (a) the eigenvalue equal to one (Kaiser 1960), (b) discontinuity Cattell (1958, 1966), (c) the scree plot (Cattell 1966), and (d) the interpretability of the resulting structure (Rummell 1970).<sup>61</sup>

Eigenvalue Equal to One. The eigenvalue criteria keeps 6 factors. However, examination of the eigenvalues (Table 21) displays a range from 11.352 to 1.016, indicating the sixth factor is borderline in meeting the cut-off criteria. This marginal support for 6 factors suggests the possibility of a 5 factor solution.

Discontinuity Criteria. Using the criteria of a discontinuity in the changing eigenvalues (Cattell 1958, 1966), additional support is found for a six factor solution. The discontinuity occurs at the seventh factor where the change in eigenvalue makes a markedly sharp increase (Table 21). This discontinuity in the seventh factor would support a 6 factor solution (Cattell 1958, 1966; Rummell 1970).

Scree Plot. The scree plot for this unrestricted factor analysis is shown in Figure 9. Interpretation of this information indicates that the more trivial and random error factors begin to enter with the seventh factor and thus supports a 6 factor solution.

Interpretability Criteria. Interpretation of previous criteria is enigmatic, as support for both a 5 and 6 factor solution is present. Consequently, the interpretability and meaningfulness criteria is used to bring additional clarity into the number of factors interpretation. While the unrestricted six factor solution explains 60.8 percent of the variance, it also posits Y8 as the single item significantly loading on factor six (Table 22).

TABLE 21  
SUMMARY OF CUSTOMER ORIENTATION FACTOR EIGENVALUES

FACTOR NUMBER	EIGENVALUE	CHANGE IN EIGENVALUES	PCT OF VARIANCE	CHANGE IN % OF VAR.
1	11.35		33.4	
2	3.99	7.36	11.7	21.7
3	1.97	2.02	5.8	5.9
4	1.29	.68	3.8	2.0
5	1.05	.24	3.1	.7
6	1.02	.03	3.0	.1
7	.89	.13	2.6	.4
8	.85	.08	2.5	.1
9	.77	.08	2.3	.2
10	.74	.03	2.2	.1

This .478 loading for item Y8 fails to meet the cut off criteria and is further neutralized by a double loading (.470) on factor two. Acceptance of the unrestricted six factor solution would ultimately leave the sixth factor as an empty set, and thus presents acute problems in both interpretation and meaningfulness.

Final statistics indicate the five factor solution explains 57.8 percent of the variance. The five factor structure (Table 23) collapses items in a pattern that closely resembles the a priori expectations regarding the dimensionality of this extended domain for customer orientation. Following the typical loading patterns of the SOCO scale (Saxe and Weitz 1982), the SOCO items measuring WILLING, ASSESS, and SATISFY load on the first factor and the negatively phrased SOCO items for DECEIT and MANIPULATE load on the second factor. The final three factors in this analysis embody the extensions to the SOCO scale made by this study: REPRESENT, DOUBLE-WIN, and EVALUATE. The need for further purification is evident due to several items having cross loadings or otherwise failing to meet the cut-off criteria (Y19, Y12, Y8, Y23).

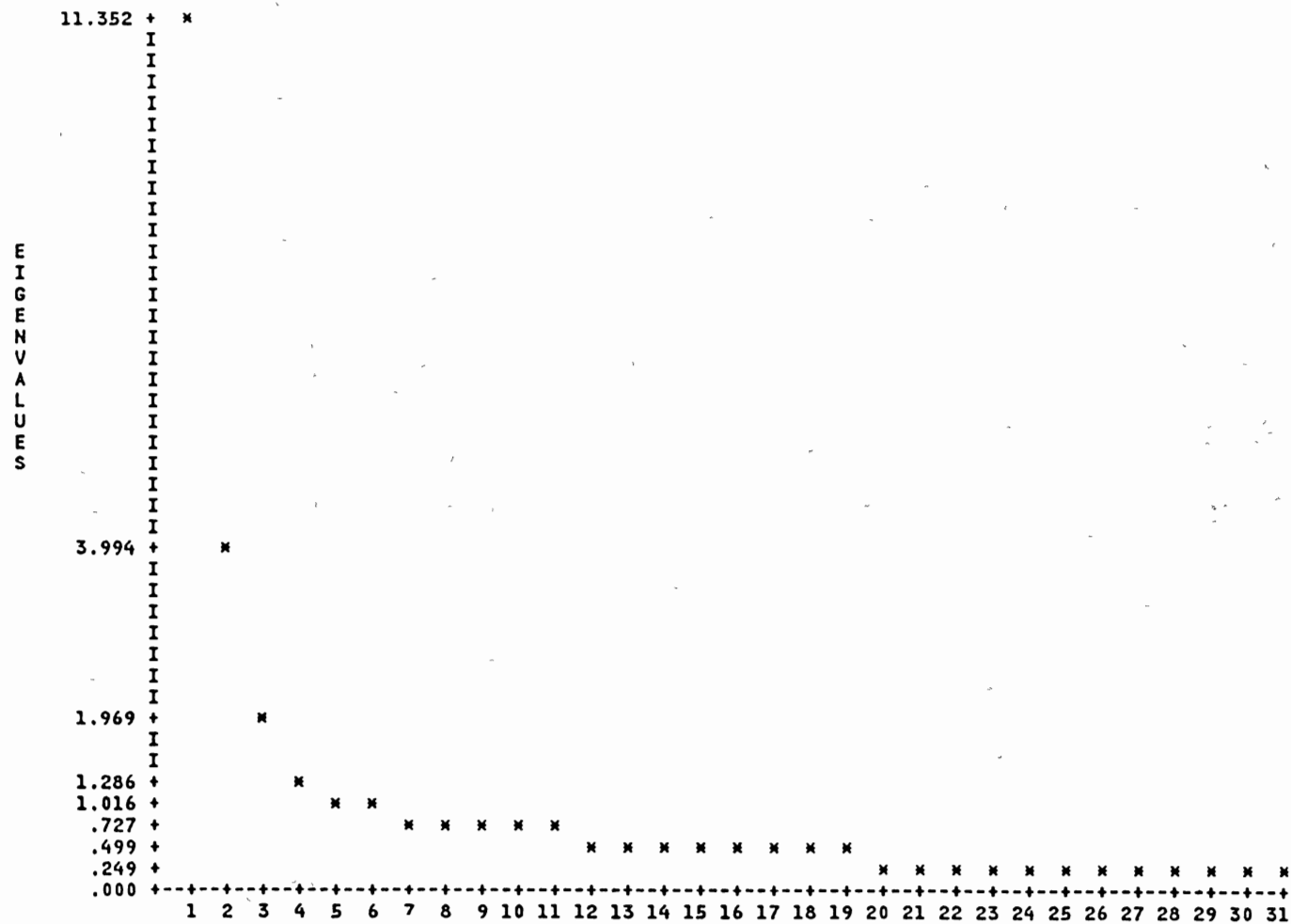


Figure 9. Scree Plot of Unrestricted Factor Analysis on Customer Orientation Data

TABLE 22  
CUSTOMER ORIENTATION FACTOR ANALYSIS  
SIX FACTOR SOLUTION

	FACTOR 1	FACTOR 2	FACTOR 3	FACTOR 4	FACTOR 5	FACTOR 6
Y38	.76886	.21936	.01483	-.01321	-.00627	-.13810
Y18	.76105	.20541	.02629	.23785	.11839	-.14864
Y14	.75053	.21545	.15487	.17135	.09503	.00585
Y3	.74921	.16875	.06679	.13816	.20946	.06222
Y21	.74348	.16259	.02932	.19995	.12299	.02179
Y39	.72808	.23037	-.03944	.08083	-.07490	.03151
Y5	.72037	.26516	-.02686	.00394	.01014	.10213
Y1	.70846	.19801	-.08839	.16616	.07657	.08313
Y9	.68595	.12909	.03329	.03250	.13094	.03668
Y10	.66273	.16619	.11854	.20317	.03623	.26670
Y16	.65704	.24081	.15662	.20128	.11096	-.03244
Y30	.65343	.34645	.04107	.17725	.06446	-.00678
Y6	.63915	.05570	.06078	.22339	.21379	.38945
Y19	.51185	.09562	.16152	.41742	.03587	-.25150
Y26	.11817	.77416	.02118	.05398	.01889	.13653
Y20	.17067	.76341	-.01032	.09519	.02155	.25230
Y41	.26985	.75458	.03847	.14170	-.03866	.09118
Y40	.19303	.74474	.01524	.00412	-.08047	.04493
Y28	.23965	.70607	-.06465	-.00910	.06815	-.03416
Y36	.23174	.69894	-.09730	.00685	-.18085	-.20749
Y24	-.04227	.65569	-.07346	.12477	.26523	.17681
Y34	.21578	.64802	-.06870	.08628	-.03798	-.37813
Y22	.27317	.60635	.15264	-.04719	-.15125	-.13364
Y27	.31796	.57344	.02701	-.13248	.12847	-.14625
Y12	.15438	.48753	-.01847	.10917	-.25112	.32169
Y35	.09883	-.03941	.87308	-.00722	.17716	.04482
Y37	.26909	.07647	.76174	.06592	.05900	.05958
Y29	-.15605	-.08055	.75761	.15519	-.01209	-.05231
Y25	.32240	.04827	.02840	.65012	.15003	-.01373
Y32	.25197	.00984	.16362	.63397	-.16516	.18749
Y23	.39065	.09032	.04473	.53234	.22179	-.12515
Y2	.26206	-.03363	.07584	.11915	.78569	.01307
Y13	.37207	-.11494	.20823	-.00269	.68589	-.08947
Y8	.28097	.46973	.08019	-.07130	-.17188	.47829

Likewise, several items (Y21, Y9, and Y32) have primary loadings out of their originally posited groupings. Nevertheless, no groupings present problems in interpretation, and unlike the prior six factor structure, no empty factors would result from subsequent purification of item statements.

The substantial findings from the interpretability criteria favoring a five factor structure parallel the results of the scree plot criteria. With additional, though marginal, support from the eigenvalue equal one criteria, the five factor solution best represents the dimensionality of this more inclusive domain of the customer orientation construct.

#### Subsequent Purification and Reduction

Further purification and reduction of the customer orientation measure is consistent with the methodology used in purification of the organizational culture scale. Using a threshold criteria for factor loadings of .5 with a minimum difference in any secondary loadings of .2 (Hair et al., 1992, p. 239), the items having the purest loadings are retained and new alphas computed (Churchill 1979).

As shown in Table 23, Y21 and Y9 fail to properly load with their respective components of DOUBLE-WIN and EVALUATE. Both of these items are loading with items assessing WILLINGNESS TO HELP on factor one. Investigation of these two items reveals phrasing that could easily be interpreted as willing to help rather than the originally targeted dimensions. However, with twelve other items already tapping the elements of this dimension, additional items bring nothing but redundancy. For this reason, both Y21 and Y9 are omitted from the scale. Four additional items, Y19, Y12, Y8, and Y23, fail to meet the threshold criteria for loading values; however, they are not deleted in this first factor analysis. The previous deletion of Y21 and Y9, both with strong loadings on factor one, will change the loading values and

TABLE 23  
CUSTOMER ORIENTATION FACTOR ANALYSIS  
FIVE FACTOR SOLUTION - ITERATION 1

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	FACTOR 1	FACTOR 2	FACTOR 3	FACTOR 4	FACTOR 5
Y3	.75826	.17974	.07266	.13118	.16607
Y14	.75165	.22549	.14693	.15746	.08571
Y38	.75096	.23217	-.01530	-.03717	.05334
Y18	.75023	.22027	-.00008	.21644	.17057
Y21	.74736	.17317	.02579	.18843	.10418
Y39	.72394	.23754	-.04959	.06523	-.08168
Y5	.72335	.27190	-.02297	-.00499	-.03486
Y1	.71492	.20638	-.08395	.15821	.03387
Y9	.68932	.13882	.03343	.02355	.10599
Y10	.68570	.16793	.14353	.20389	-.07724
Y6	.67941	.05741	.11090	.23657	.03411
Y16	.65598	.25083	.14603	.18771	.11478
Y30	.65116	.35548	.03363	.16471	.05786
Y19	.49541	.10783	.11893	.39198	.14076
Y26	.12238	.77210	.04303	.06063	-.05897
Y20	.18529	.75935	.02616	.10723	-.10498
Y41	.26945	.75446	.04830	.14062	-.09038
Y40	.18557	.74427	.01887	.00134	-.10913
Y28	.22959	.71098	-.06432	-.01256	.05942
Y36	.19952	.70395	-.13179	-.01302	-.09381
Y34	.17527	.65924	-.11932	.06104	.10876
Y24	-.02443	.65518	-.03153	.14433	.14794
Y22	.24920	.60959	.12569	-.06444	-.09237
Y27	.29967	.58284	.01281	-.14252	.16663
Y12	.16996	.47716	.01213	.11707	-.37465
Y8	.30957	.45816	.13277	-.05538	-.36553
Y35	.11158	-.03999	.87696	-.00660	.15343
Y37	.27821	.07606	.76052	.06095	.03708
Y29	-.15371	-.08474	.74393	.15068	.01986
Y25	.33426	.05463	.02620	.64528	.14185
Y32	.27256	.00457	.17205	.63188	-.22662
Y23	.39258	.10146	.03077	.52220	.25376
Y2	.28842	-.01785	.11046	.13613	.71059
Y13	.38567	-.09739	.22108	.00281	.66798

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patterns for subsequent variables. Pending these potential changes, rather than delete the additional four items at this time, a second factor analysis is conducted to verify the new structure and identify further items for deletion.

The results of the second factor analysis (Table 24) confirm three additional items not meeting the required loading criteria: Y19, Y12, and Y8. Y19 double loads on factors one and four due to its phrasing and is deleted from the scale. Items Y12 and Y8, however, are both original to the SOCO scale (Saxe and Weitz 1982) and not deleted. The intent of this study is to leave the SOCO scale intact while adding the three new domain components of DOUBLE-WIN, EVALUATE, and REPRESENT; consequently, these items are retained in the scale.

The 31 items retained through this second iteration of purification and reduction, detailed in Table 24, were further evaluated in a third factor analysis. As illustrated in Table 25, items Y8 and Y12 are still below the threshold criteria. In addition, Y23's borderline loadings in preceding analyses have now become a loading complication. Due to their membership in the original SOCO scale, Y8 and Y12 are retained; however, Y23 is deleted as a result of this analysis.

The results of a dropping Y23 and running a fourth factor analysis are reproduced below in Table 26. The omission of Y23 from the DOUBLE-WIN dimension has a positive effect on Y12 and Y8, with both items now recording strong loadings. Nevertheless, problems continue within the DOUBLE-WIN dimension, as deletion of Y23 alters the loadings for Y25 such that it no longer qualifies for retention. Y25 is, however, an original SOCO item statement and for reasons detailed earlier, it is not deleted from the scale. Rather, additional item statements will be added to this DOUBLE-WIN dimension for further testing in subsequent data collection and analysis in the main survey.



TABLE 24  
CUSTOMER ORIENTATION FACTOR ANALYSIS  
FIVE FACTOR SOLUTION - ITERATION 2

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	FACTOR 1	FACTOR 2	FACTOR 3	FACTOR 4	FACTOR 5
Y38	.76892	.22772	-.01434	-.04083	.07288
Y3	.74936	.18232	.07310	.14704	.18855
Y5	.74543	.26669	-.02380	-.01013	-.01412
Y14	.73951	.22991	.14679	.18321	.10874
Y18	.73471	.22476	.00331	.22793	.19165
Y39	.72944	.23858	-.04418	.05890	-.06184
Y1	.72355	.20335	-.08871	.17345	.05437
Y30	.67030	.34790	.03193	.15431	.07156
Y10	.66857	.17496	.14064	.24678	-.05445
Y6	.66506	.06208	.10402	.28146	.05863
Y16	.65226	.25137	.14400	.20395	.13436
Y19	.50166	.10213	.11973	.37739	.14706
Y26	.12613	.77008	.04200	.05451	-.05697
Y20	.17450	.76323	.02452	.12090	-.09678
Y41	.26500	.75635	.04820	.14489	-.08123
Y40	.19401	.74306	.02088	-.01175	-.10290
Y28	.21819	.71420	-.06359	-.00267	.06621
Y36	.19020	.70729	-.13032	.00069	-.09134
Y24	-.03683	.65542	-.03649	.15403	.14792
Y34	.18994	.65180	-.11788	.03419	.10698
Y22	.25158	.61018	.12627	-.05869	-.08584
Y27	.29668	.58383	.01303	-.13450	.17702
Y12	.16290	.48258	.00623	.15289	-.36398
Y8	.30077	.46603	.12720	-.00804	-.34805
Y35	.10578	-.03837	.87720	-.00155	.15964
Y37	.27861	.07659	.76096	.06390	.04699
Y29	-.15601	-.08531	.74603	.13806	.01342
Y25	.31769	.05404	.02352	.65200	.14483
Y32	.28075	-.00081	.17277	.61194	-.22931
Y23	.34364	.11299	.03054	.56360	.26501
Y2	.26264	-.01734	.10278	.16404	.72072
Y13	.36143	-.09492	.21583	.03379	.68277

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TABLE 25  
 CUSTOMER ORIENTATION FACTOR ANALYSIS  
 FIVE FACTOR SOLUTION - ITERATION 3

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	FACTOR 1	FACTOR 2	FACTOR 3	FACTOR 4	FACTOR 5
Y38	.78621	.22050	.00632	.05151	-.08153
Y18	.75631	.21175	.01855	.19992	.15950
Y14	.74602	.22174	.15450	.12638	.17622
Y3	.74211	.18173	.07573	.21358	.15394
Y5	.73630	.26833	-.01987	-.00515	.03030
Y39	.73154	.23663	-.03555	-.05853	.06459
Y1	.71894	.20577	-.08385	.08421	.18897
Y30	.67104	.34524	.03684	.08606	.12945
Y16	.66293	.24129	.15201	.15278	.18529
Y10	.64716	.18051	.13195	-.00557	.31641
Y6	.62078	.07331	.08272	.12724	.38313
Y26	.11825	.77439	.03102	-.02126	.09249
Y20	.15301	.77283	.00556	-.04283	.18850
Y41	.26295	.75705	.04116	-.04667	.15756
Y40	.19878	.74495	.02066	-.08320	.00155
Y28	.22567	.71261	-.06152	.07972	-.02265
Y36	.22270	.69943	-.11520	-.10660	-.07778
Y24	-.05362	.66097	-.05755	.20687	.19397
Y34	.23790	.63601	-.09494	.08280	-.10106
Y22	.27302	.60651	.13954	-.10166	-.10221
Y27	.30903	.57586	.02103	.15836	-.18204
Y12	.14358	.49609	-.00883	-.31320	.25319
Y8	.25506	.48886	.10438	-.29866	.14814
Y35	.09385	-.03083	.87641	.16234	.00647
Y37	.27059	.07852	.76423	.05356	.07531
Y29	-.15043	-.08566	.75150	.01504	.10184
Y2	.24178	-.02063	.08824	.76015	.14592
Y13	.35052	-.10662	.21231	.69087	.00010
Y32	.28102	.00488	.16722	-.15530	.61655
Y25	.33246	.04584	.02116	.21426	.58910
Y23	.36228	.10229	.03281	.31465	.45760

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TABLE 26  
CUSTOMER ORIENTATION FACTOR ANALYSIS  
FIVE FACTOR SOLUTION - ITERATION 4

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	FACTOR 1	FACTOR 2	FACTOR 3	FACTOR 4	FACTOR 5
Y18	.79452	.19666	.04298	.13846	.02686
Y38	.78501	.21553	.01491	.00508	-.11884
Y14	.76204	.21431	.16287	.10175	.11348
Y3	.74380	.18055	.06913	.22774	.12405
Y1	.72612	.20335	-.08703	.09753	.15865
Y39	.71997	.23913	-.04291	-.05217	.08545
Y5	.71799	.27311	-.03206	.01065	-.05736
Y16	.69779	.22927	.17199	.10822	.07443
Y30	.66883	.34553	.02495	.11713	.13757
Y10	.64245	.18754	.11532	.04878	.33848
Y6	.60442	.08557	.04985	.22680	.43586
Y20	.14659	.78030	-.01298	.01556	.21186
Y26	.11194	.77944	.01212	.03797	.12528
Y41	.27733	.75587	.04228	-.03822	.11975
Y40	.19904	.74606	.01968	-.08402	-.01030
Y28	.22927	.70984	-.06519	.08606	-.04193
Y36	.24486	.68904	-.09624	-.15684	-.14478
Y24	-.04769	.66254	-.07682	.27703	.19043
Y34	.28040	.61025	-.05730	-.02090	-.23676
Y22	.27841	.60144	.14573	-.12280	-.11799
Y27	.30540	.57214	.02442	.12593	-.22101
Y8	.20316	.51382	.06030	-.18774	.30682
Y12	.14728	.50311	-.01414	-.27801	.26752
Y35	.08325	-.02531	.86974	.17292	.02959
Y37	.26908	.08227	.76400	.05027	.07222
Y29	-.13490	-.08685	.76177	.00229	.08041
Y2	.25990	-.02963	.07649	.80015	.07234
Y13	.36660	-.11802	.21113	.68758	-.07988
Y32	.30629	.00794	.16003	-.08853	.60501
Y25	.40739	.02742	.04410	.21425	.42871

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As summarized in Table 26, with the exception of Y25 discussed above, the remaining 30 item statements exhibit high primary loadings exceeding the criteria for retention. Analogous to this pattern of high factor loadings, except for the DOUBLE-WIN dimension, alpha estimates of reliability (Table 27) are in excess of the .60 criteria established for this study and therefore suitable for further research (Nunnally 1978). As concluded above, the DOUBLE-WIN dimension is targeted for further development in the field study to improve its characteristics.

Both EVALUATE and DOUBLE-WIN dimensions have been reduced to only two item statements each. In order to strengthen the domain sampling of both these dimensions and to improve the subsequent scale reliabilities, additional item statements are added for further purification in the main survey.

TABLE 27  
ALPHA ESTIMATES OF RELIABILITY FOR THE  
FINAL CUSTOMER ORIENTATION MEASURE

DIMENSION	NUMBER OF ITEMS	ALPHA
WILLING	11	.93
MANIPULATE/DECEIT	12	.90
REPRESENT	3	.74
EVALUATE	2	.68
DOUBLE-WIN	2	.45

### Additional Work Required

In addressing the potential problems of undersampling the domain of the EVALUATE and DOUBLE-WIN dimensions, the direction provided by Churchill (1979, p. 69) was followed: using knowledge gained in earlier stages of analysis, additional development work is conducted in order to add new item statements into each of these two dimensional scales. Adding new items at this stage allows them to be further tested and purified in the subsequent data collection and analysis. Two additional item statements are added into each of these two sub-scales.

EVALUATE. This dimension assesses the elements of customer orientation concerning the salesperson's post sale service to the customer. This measure of post sale service should include (a) the extent to which the salesperson actually appraises customer satisfaction, (b) does the salesperson take corrective action when required in order to resolve customer problems, and (c) how rapidly does the salesperson react in following-up sales to work out possible problems. The two remaining items in this dimension, Y2 and Y13, are limited to evaluating the extent of salesperson post sale follow-up. The elements of taking action and timeliness are not represented. In addressing this potential weakness, the following two items were added and will be tested for reliability and validity in the next stage of data collection and analysis:

- (1) I follow-up my sales to take care of customer problems and complaints.
- (2) I handle customer complaints quickly and efficiently.

DOUBLE-WIN. Pertaining to the relationship selling perspective in which the salesperson, the customer, and the company all receive mutual benefits as the result of the selling process, this dimension requires the salesperson to commit to actions purposefully directed so as to achieve this shared satisfaction. As the result of purification, the items remaining in this sub-scale, Y32 and Y25, are limited to

addressing only activities directed at achieving the mutual satisfaction of the salesperson and customer. The company to customer linkage is not represented, consequently the following two items are appended to this sub-scale:

- (1) I try to achieve my company's goals by satisfying customers.
- (2) My selling efforts are beneficial to my company and to my customers.

Further recognition is given to the possibility that the problems with this dimension could be the result of the phrasing of Y32, an item original to the SOCO scale. This item deals with the salesperson "... disagreeing with a customer in order to help make a better decision" and is the strongest loading item on its common factor (Table 26). The wording of this statement is potentially confusing and under certain interpretations would not readily fit in the posited domain of this dimension. It is possible that its strength in this common factor and lack of correspondence with the domain description resulted in the deletion of Y23 in the previous purification analysis. To prevent the possible loss of an item that has face validity with the domain, Y23 is added back into the scale as an additional item for further testing in the field survey data collection and analysis. This replacement of Y23 and the addition of four new items, brings the number of items in the intermediate customer orientation scale to a total of 35. This 35 item scale is utilized in the field study.

#### Field Study

The purified intermediate measures for both constructs form the basis for the survey instrument used in this additional data collection and analysis step. The results of this field survey are analyzed in order to (a) purify the items added for strengthening several of the sub-scales, (b) provide support for measure reliability across samples and testing situations, and (c) to assess the validity of the two measures (Churchill 1979).

The actual survey instrument (Appendix D) is composed of three major sections. The first section consists of the 33 organizational culture items (statements 2-34). Item statement 1 is strictly for classification purposes and statements 35 and 36 measure value congruence. The 35 item composite measure of customer orientation makes up the second section of the survey instrument. The third section contains the items for use in the validity appraisal of both measures.

The location of item statements on the field survey instrument differs from their specific locations on the pilot survey instrument. To assist the reader in making any desired comparisons, Tables 28 and 29 represent interpretation keys for item number locations and assigned X and Y analysis labels cross-classified for both instruments.

TABLE 28  
ORGANIZATIONAL CULTURE ITEM LOCATION KEY FROM PILOT SURVEY  
TO FIELD SURVEY INSTRUMENT

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<b>NON-REDTAPE</b>		PILOT STUDY	X12	X6	X4				
		FIELD STUDY	<del>X7</del>	<del>X5</del>	X18	<del>X11</del>	<del>X15</del>	X13	X33
<b>NONCOMPLEX</b>		PILOT STUDY	X32	X37					
		FIELD STUDY	X21	X17	<del>X28</del>	X25	<del>X29</del>		
<b>EMPOWERMENT</b>		PILOT STUDY	X30	X34	X27	X36	X39		
		FIELD STUDY	X20	X23	X19	X30	X27		
<b>PROACTIVE</b>		PILOT STUDY	X41	X35					
		FIELD STUDY	X24	X31	X10	X12	<del>X14</del>		
<b>SOCIAL</b>		PILOT STUDY	X33	X24	X15				
		FIELD STUDY	X22	X4	X8				
<b>TEAM</b>		PILOT STUDY	X43	X57	X45	X46	X47		
		FIELD STUDY	X32	X36	X34	X6	X35		
<b>COMMITMENT</b>		PILOT STUDY	X18	X17	X19				
		FIELD STUDY	X16	X9	X26				

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*Italics denote new items added to scale for further testing*

TABLE 29  
CUSTOMER ORIENTATION ITEM LOCATION KEY FROM PILOT SURVEY  
TO FIELD SURVEY INSTRUMENT

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<b>WILLING</b>													
PILOT STUDY	Y38	Y39	Y5	Y18	Y1	Y3	Y14	Y30	Y16	Y10	Y6		
FIELD STUDY	Y32	Y33	Y4	Y13	Y1	Y3	Y11	Y24	Y12	Y8	Y5		
<b>MANIPULATE/DECEIT</b>													
PILOT STUDY	Y26	Y20	Y24	Y41	Y40	Y28	Y36	Y34	Y22	Y27	Y12	Y8	
FIELD STUDY	Y20	Y14	Y18	Y35	Y34	Y22	Y29	Y25	Y16	Y21	Y9	Y6	
<b>REPRESENT</b>													
PILOT STUDY	Y35	Y37	Y29										
FIELD STUDY	Y27	Y30	Y23										
<b>EVALUATE</b>													
PILOT STUDY	Y2	Y13											
FIELD STUDY	Y2	Y10	Y7	Y15									
<b>DOUBLE-WIN</b>													
PILOT STUDY	Y32	Y25	Y23										
FIELD STUDY	Y26	Y19	Y17	Y28	Y31								

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*Italics denote new items added to scale for further testing*

#### Item Purification and Reliability Assessment

Previous steps of item reduction and purification resulted in several sub-scales in both composite measures having low alpha scores and an insufficient number of item statements to encompass the specific dimensional domains. In addressing these potential weaknesses, additional items were appended to these five sub-scales. Consequently, these particular items are further tested using item-to-total correlations to achieve satisfactory domain coverage and alphas (Churchill 1979). Further analysis of the resulting full set of final scale items then assesses the reliability of the resulting measures and confirms their factor structure.

#### Organizational Culture

The three dimensions of organizational culture amended with additional item statements are (1) PROACTIVE, (2) NONCOMPLEX, and (3)



NON-REDTAPE. The item-to-total and pairwise correlations for the items in each of these three dimensions are depicted in Tables 30, 31, and 32.

TABLE 30  
CORRECTED ITEM-TO-TOTAL AND PAIRWISE CORRELATIONS  
FOR PROACTIVE DIMENSION ITEMS

ITEM	CORRELATIONS					
	ITEM-TO TOTAL	X24	X31	X10	X12	X14
X24	.56	1.00				
X31	.63	.60	1.00			
X10	.43	.34	.41	1.00		
X12	.39	.27	.31	.33	1.00	
X14	.35	.32	.35	.14	.21	1.00

TABLE 31  
CORRECTED ITEM-TO-TOTAL AND PAIRWISE CORRELATIONS  
FOR NONCOMPLEX DIMENSION ITEMS

ITEM	CORRELATIONS					
	ITEM-TO TOTAL	X21	X17	X28	X25	X29
X21	.48	1.00				
X17	.41	.55	1.00			
X28	-.03	.07	-.05	1.00		
X25	.40	.45	.43	-.00	1.00	
X29	.14	-.14	-.08	-.09	-.06	1.00

TABLE 32  
CORRECTED ITEM-TO-TOTAL AND PAIRWISE CORRELATIONS  
FOR NON-REDTAPE DIMENSION ITEMS

ITEM	CORRELATIONS							
	ITEM-TO TOTAL	X7	X5	X18	PAIRWISE X11	X15	X13	X33
X7	.18	1.00						
X5	.20	.53	1.00					
X18	.42	.09	.06	1.00				
X11	.31	.17	.19	.23	1.00			
X15	.12	- .19	-.15	.25	.04	1.00		
X13	.34	- .01	.02	.31	.13	.22	1.00	
X33	.38	.03	.04	.32	.22	.15	.37	1.00

Using the above item-to-total and pairwise correlations, X14 is deleted from the PROACTIVE dimensional scale. At the same time, X28 and X29 are omitted from the NONCOMPLEX dimension. Close examination of the correlations for the items composing the NON-REDTAPE dimension reveals the set of new items, X18, X13, and X33 as better representation of the characteristics of this dimension than the original set comprised of X7 and X5. Consequently, X7, X5, X11, and X15 are deleted from the item set for this dimension, leaving the final measure totaling 26 items sampling the seven dimensions of organizational culture.

The results of alpha computations for this measure (Table 33) support the reliability of the scale. The lowest dimensional alpha, .60, is for the NON-REDTAPE dimension. Each of the other alphas are .70 and higher. The .90 reliability estimate of the overall measure is computed using Nunnally's formula for the reliability of a linear combination (Nunnally 1978). All reliabilities meet or exceed the minimum, suggested criteria for use in further research. Henceforth, this measure of customer orientation will be referred to as ORGCUL.

TABLE 33  
ALPHA ESTIMATES OF RELIABILITY FOR THE  
FINAL ORGANIZATIONAL CULTURE MEASURE

DIMENSION	NUMBER OF ITEMS	ALPHA
TEAM	5	.85
EMPOWER	5	.80
PROACTIVE	4	.71
NONCOMPLEX	3	.73
COMMITMENT	3	.71
SOCIAL	3	.70
NON-REDTAPE	3	.60
TOTAL ITEMS	26	
OVERALL ORGCUL MEASURE		.90

Having established support for this measure's reliability, a final factor analysis is conducted to confirm the pattern structure and loading values of the scale. The confirmatory factor analysis uses a principal components method of extraction with a varimax rotation. Based upon the earlier findings supporting a seven dimension structure, the number of factors was restricted to seven. As illustrated in Table 34, this confirmatory factor analysis matches the pattern structure established in the pilot study and all primary loadings meet the minimum cut-off criteria.

#### Customer Orientation

Considering the possibility of problems arising from under sampling the domain, two customer orientation dimensional scales, FOLLOW-UP and DOUBLE-WIN, were strengthened through the addition of item statements. This addition of items was made with the idea of using the data collected in the field study to further test these items for inclusion into the final scale. Tables 35 and 36 detail the item-to-

TABLE 34  
CONFIRMATORY FACTOR ANALYSIS FOR THE FINAL  
ORGANIZATIONAL CULTURE MEASURE

	FACTOR1	FACTOR2	FACTOR3	FACTOR4	FACTOR5	FACTOR6	FACTOR7
X36	.80572	.19549	.11155	-.05422	.10870	.10538	.09881
X34	.72778	.26119	.05798	-.05196	.15361	-.02456	-.10627
X32	.68654	.28730	.11981	.12243	.25260	-.01579	.06326
X35	.67712	.37654	.05518	.00916	.17035	.14754	-.02505
X6	.66193	.07621	.32528	-.08297	-.00145	-.04521	.19954
X23	.24577	.71658	.01588	.00030	-.10017	.17171	.17990
X19	.23661	.70609	.12694	-.09777	.11929	.01424	-.03527
X20	.35013	.68861	.15487	.05767	.10545	.05011	.12745
X27	.13271	.65005	.30103	.03864	.26085	.00493	-.00003
X30	.35704	.56360	.08374	.02602	.28539	-.04598	.16288
X10	.32047	-.09267	.74048	.03791	.17079	.04018	.06949
X31	.00146	.40909	.68407	-.13120	.21411	-.03819	.08102
X24	.01175	.42129	.67514	-.12883	.09569	.07062	-.03239
X12	.32515	.13529	.52438	.09801	-.00307	.12339	-.08769
X21	.00310	-.03866	-.00304	.84677	.06219	-.02375	.07289
X17	-.06133	-.08253	-.09407	.82685	.05992	-.03262	.04770
X25	.01225	.14246	.05632	.66458	-.22860	.02617	.31649
X9	.12210	.01470	.24609	.16388	.76420	-.02675	-.05886
X26	.16451	.26317	.01190	-.13562	.72804	.08075	.11815
X16	.38344	.23300	.15161	-.09703	.63529	.06150	.12352
X8	-.11086	.07990	-.02994	-.04644	-.03791	.83453	.04326
X22	.08835	.03423	.15378	.13356	-.00434	.76789	.08954
X4	.12988	.02445	.00991	-.12167	.11577	.73006	.12696
X13	-.05801	.05887	-.02181	.00828	.11278	.00571	.78177
X18	.04902	-.01936	.05062	.21285	-.04550	.13994	.67417
X33	.16837	.18919	-.00558	.10893	.05702	.12970	.66579

total and pairwise correlations resulting from analysis of the field survey responses.

TABLE 35  
CORRECTED ITEM-TO-TOTAL AND PAIRWISE CORRELATIONS  
FOR FOLLOW-UP DIMENSION ITEMS

ITEM	CORRELATIONS				
	ITEM-TO TOTAL	Y2	PAIRWISE		
			Y10	Y7	Y15
Y2	.65	1.00			
Y10	.53	.49	1.00		
Y7	.68	.68	.46	1.00	
Y15	.39	.30	.31	.38	1.00

TABLE 36  
CORRECTED ITEM-TO-TOTAL AND PAIRWISE CORRELATIONS  
FOR DOUBLE-WIN DIMENSION ITEMS

ITEM	CORRELATIONS					
	ITEM-TO TOTAL	Y26	PAIRWISE			
			Y19	Y17	Y28	Y31
Y26	.21	1.00				
Y19	.44	.26	1.00			
Y17	.52	.14	.38	1.00		
Y28	.45	.09	.29	.47	1.00	
Y31	.50	.12	.30	.55	.50	1.00

Using the above item-to-total and pairwise correlations, Y15 is deleted from the FOLLOW-UP dimensional scale. The deletion of Y15 results in 34 item statements remaining in the overall measure of customer orientation.

Clearly, Y26 is also a strong candidate for deletion from the DOUBLE-WIN dimension. However, examination of the actual item statement reveals that it is an original SOCO item, and true to the study's original intent of not modifying the existing SOCO scale, but rather to extend it's existing domain, this item is not deleted from the scale. It should be pointed out, that this vexatious item Y26 from the field study corresponds to item Y32 in the pilot study questionnaire. This finding would support the earlier judgment (p. 122) that the trouble with the DOUBLE-WIN dimension sticking together was being caused by Y32 in the pilot study.

Using the 5 dimensions resulting from the pilot study as the basis for analysis, alpha statistics are computed from the field study data to assess support for scale reliability (Table 37). The lowest alphas, .66 and .64, are found in the REPRESENT and DOUBLE-WIN dimensions while each of the other alphas are .78 and higher. These reliability estimates exceed the minimums suggested by Nunnally (1978) and are deemed satisfactory for use in further research.

Having support for the reliability of the extended 34 item customer orientation measure, a final factor analysis is conducted to confirm the pattern structure and loading values of the scale. The confirmatory factor analysis uses a principal components method of extraction with a varimax rotation. The number of factors is restricted to five based upon the pilot study support for a five dimension structure.

As illustrated in Table 38, this confirmatory factor analysis fails to support the expected pattern structure established in the pilot study. The results of this factor analysis result in all but one of the

DOUBLE-WIN items collapsing together with WILLING items into the first general factor while two items, Y6 and Y9, splinter off from the second factor (MANIPULATE/DECEIT) to make up the sole items loading on FACTOR FIVE.

TABLE 37  
ALPHA ESTIMATES OF RELIABILITY FOR THE  
CUSTOMER ORIENTATION MEASURE

DIMENSION	NUMBER OF ITEMS	ALPHA
WILLING	11	.89
MANIPULATE/DECEIT	12	.86
REPRESENT	3	.66
FOLLOW-UP	3	.78
DOUBLE-WIN	5	.64
TOTAL ITEMS	34	

Conceptually, the WILLING and DOUBLE-WIN components could certainly share a close relationship. Salespeople sharing the DOUBLE-WIN philosophy of selling would almost certainly possess a high willingness to help the customer. Nevertheless, it would not necessarily hold true in reverse. Intuitively that is, salespeople could be WILLING to help the customer without necessarily sharing the DOUBLE-WIN philosophy. A readily available example would be the salesperson who is responsive to the customer's needs and desires to help them make a satisfactory purchase (high on WILLING), but is very transaction oriented and concentrates on the immediate purchase decision rather than what is best for all parties in the long-run (low on DOUBLE-WIN). Consequently, the sharing of the same primary general factor presents problems in interpretation.

TABLE 38  
CONFIRMATORY FACTOR ANALYSIS FOR THE  
CUSTOMER ORIENTATION MEASURE

---

	FACTOR 1	FACTOR 2	FACTOR 3	FACTOR 4	FACTOR 5
Y13	.75548	.07271	-.09024	.21822	.15772
Y3	.72399	.12753	.21551	.10971	.00849
Y17	.70055	.16848	.27367	-.02184	.03847
Y5	.69955	-.00266	.07285	.28224	.14734
Y32	.68457	.23541	.29072	-.12240	-.18677
Y12	.66987	.04367	.07790	.23577	.08891
Y24	.64720	.12821	.01401	.36827	.22050
Y28	.64627	.18623	.29955	-.04609	.09168
Y11	.63775	.02494	.05579	.38125	.25259
Y4	.63772	.24665	.05519	.04724	-.15069
Y8	.63118	.03513	.08296	.10624	.18928
Y1	.62807	-.00733	.02481	.18919	.21968
Y31	.60767	.18777	.34883	.07963	-.12946
Y33	.56005	.17833	.08217	-.07557	-.30812
Y19	.52258	.01260	.13278	.10546	-.19859
Y34	.02913	.76814	.13208	-.14726	.00085
Y35	.16341	.74969	.13686	-.15566	-.00145
Y20	.01384	.74300	.09179	.09194	.11672
Y29	.05290	.70989	.02182	.16170	-.08643
Y22	.24669	.67541	-.03570	.01685	-.12042
Y14	.10561	.60691	.03419	-.12373	.41967
Y18	.04797	.53506	.00591	.41428	.17412
Y25	.07552	.53445	-.20609	.11398	.20108
Y16	.09222	.51747	.03631	.05861	.17620
Y21	.29527	.46781	-.27267	-.05757	-.04704
Y27	.23724	.04890	.72710	.15027	.13877
Y23	.11479	-.05485	.67384	.12805	.18246
Y30	.39320	.12848	.59640	.03855	.04766
Y26	.08982	-.00151	.40449	.11376	-.12397
Y2	.32898	.01428	.18086	.68156	-.23238
Y7	.33377	.00292	.23742	.66974	-.17911
Y10	.33556	.01980	.24329	.65831	.04447
Y6	.17724	.43300	.11247	-.10343	.59176
Y9	.16334	.39892	.18107	-.14503	.54846

---

Additional interpretation problems result from Y6 and Y9 splitting away from the second general factor. Multiple replications of the SOCO scale have been made with this group of item statements consistently



loading on the second general factor (Michaels and Day 1985; Williams and Wiener 1990; Brown, Widing, and Coulter 1991). The SOCO scale conceptualizes customer orientation as a uni-dimensional construct based on the "concern for others dimension" and characterized by the following seven elements: (Saxe and Weitz 1982, p. 344).

1. A desire to help customers make satisfactory purchase decisions.
2. Helping customers assess their needs.
3. Offering products that will satisfy those needs.
4. Describing products accurately.
5. Adapting sales presentations to match customer interests.
6. Avoiding deceptive or manipulative influence tactics.
7. Avoiding the use of high pressure.

Although, Saxe and Weitz (1982) conceptualize customer orientation as a multi-element, uni-dimensional scale, factor analysis consistently results in two distinct primary factors (Saxe and Weitz 1982; Michaels and Day 1985; Williams and Wiener 1990; Brown, Widing, and Coulter 1991). Saxe and Weitz explain the second factor as separating "the positively stated items from the negatively stated items." (Saxe and Weitz 1982, p. 346).

Based on the insight provided in this study's perplexing and non-confirmatory factor analysis, there is an alternate possible explanation to the SOCO scale's typical two factor structure. Close scrutiny of the items with primary loadings on the second general factor reveal that they could be interpreted as (a) deceitful and manipulative selling behaviors and (b) pressure selling tactics. Both of these behavior types are included in the Saxe and Weitz (1982) conceptualization discussed above.

Not only does this interpretation offer an alternative explanation to the SOCO two factor solution, but it also offers insight explaining Y6 and Y9 splitting away from this second general factor. Both items Y6 and Y9 imply the application or use of some force, (ie. persuasion, influence, sales talk, authority, and etc.) for the purpose of obtaining the objective of the salesperson. By definition this would be the use

of pressure (Merriam-Webster 1987), Saxe and Weitz's seventh component. Items Y16, Y18, Y20, Y21, Y22, Y25, and Y29 infer the use of duplicity, misinformation, falsehood, and trickery toward the salesperson's desired outcome. Again, by simple definition (Merriam-Webster 1987), these items depict Saxe and Weitz's sixth characteristic, deceptive influence tactics. Items Y34 and Y35 describe actions designed to cleverly manage to bring about some desired effect so as to attain one's own ends--the definition of manipulation (Merriam-Webster 1987), a second part of Saxe and Weitz's sixth characteristic.

As conceptualized by Saxe and Weitz, the characteristics of deceit and manipulation would tend to have such a close correspondence that they would certainly be expected to load on the same general factor. Pressure, however, could be used in the absence of either deceit or manipulation. An example is given by sales managers arguing in Saxe and Weitz (1982, p. 344) that pressure could be exerted by salespeople to persuade a reluctant customer to make a purchase the salesperson recognizes as being in the customer's best interest. Thus even while the characteristics are seen as being closely related, they are in fact independent of one another and should discriminate between one another through primary loadings on separate general factors.

Relaxing the restrictions on the number of factors allows these item statements to take on loadings that begin to discriminate between the core attributes running through each of the characteristics--thus Y6 and Y9 display a tendency to split away. This occurrence and additional understanding combines with the marginal support for a sixth factor in the pilot study to provide support for the investigation of a possible additional factor beyond the five originating from the pilot study.

Toward investigating the possibility of additional factors beyond the five factor structure coming out of the pilot study, a second factor analysis is generated with no a priori restrictions on the number of factors. Principal components extraction with a varimax rotation is

utilized with the number of factors criterion set at the minimum eigenvalue of one. This results in the seven factor structure shown in Table 39.

The seven factor solution resulting from this unrestricted factor analysis provides support for the earlier inference that WILLING and WIN should be distinct factors. Further support is also provided for MANIPULATION/DECEIT and PRESSURE to be distinct and separate general factors. However, the seventh general factor is primarily the result of the multiple interpretations of item Y26 preventing it from loading with any of the other factors. As detailed earlier, the phrasing of this particular item statement has caused problems throughout this study. Up until this time, it has not been deleted from the scale due to the desire to keep the original SOCO scale intact within the extended measure of customer orientation. With the exception of the seventh factor, the factor structure resulting from this analysis offers superior interpretability of the extended customer orientation construct.

This improved representation and the continued problems with many of the items original to the SOCO scale led to the decision to continue purifying the scale by removing the SOCO items not meeting the required cut-off criteria. Because of its phrasing and interpretation problems, Y26 was first eliminated. With this seed item out of the scale, Y19 should load with other items from the DOUBLE-WIN dimension. This should have the effect of imparting a six factor structure on the measure.

Several other items have double loadings and phrasing characteristics not consistent with the conception of customer orientation. Specifically, Y3 double loads on factors 1 and 3, consequently it is deleted. Items Y4 and Y25, both original SOCO items, have multiple loadings and are also statements of beliefs and attitudes rather than a description of selling behavior. Saxe and Weitz (1982)

TABLE 39

SECOND FACTOR ANALYSIS FOR THE CUSTOMER ORIENTATION  
MEASURE WITH NUMBER OF FACTORS UNRESTRICTED

	FACTOR 1	FACTOR 2	FACTOR 3	FACTOR 4	FACTOR 5	FACTOR 6	FACTOR 7
Y13	.78574	.10690	.21414	.03581	.07873	-.02631	-.00540
Y11	.76465	.06866	.07297	.04590	.20075	.17526	-.02637
Y5	.73241	.03210	.19840	.03111	.15987	.10828	.08453
Y24	.71444	.13525	.15776	.08780	.24101	.10420	-.11020
Y12	.68371	.09105	.20576	.00722	.12261	.09228	.14643
Y1	.63585	-.02137	.22157	.10532	.10277	.08336	-.09565
Y8	.62940	.04383	.20717	.12701	.01548	.08955	.12695
Y3	.53855	.08538	.49623	.11528	.15682	.10628	.10215
Y34	-.04246	.76295	.11038	.19906	-.13050	.11244	.07880
Y35	.05337	.73801	.21399	.19095	-.13297	.11691	.03514
Y22	.19363	.72500	.15578	.00722	-.02142	-.02924	.04856
Y29	.03652	.72153	.04789	.08192	.16130	.00816	.02206
Y20	.00460	.68849	.03274	.29311	.11282	.08875	-.05405
Y21	.25910	.49839	.15117	-.01884	-.11679	-.20154	-.17522
Y18	.07247	.48201	-.16237	.25633	.39170	.03232	-.09280
Y25	.11181	.46268	.01745	.21921	.09292	-.08696	-.44222
Y32	.31372	.16576	.73529	.07600	.04845	.09378	.08651
Y31	.30145	.10755	.65656	.06369	.23609	.20543	-.05421
Y28	.37928	.06626	.59267	.27391	.08589	.16358	-.01643
Y33	.26841	.18023	.59087	-.14386	.02755	-.03441	.00008
Y17	.49880	.12565	.49902	.17442	.02964	.14559	.19693
Y4	.43848	.23874	.45179	.03420	.10108	-.09485	.20999
Y6	.14750	.20952	.06958	.79511	-.01905	.02887	-.02087
Y9	.12849	.20375	.07870	.72847	-.07266	.10669	.02258
Y14	.09124	.45494	.00753	.65798	-.07311	-.05272	.10844
Y16	-.02402	.35663	.21065	.39049	.18951	-.01497	-.28225
Y2	.25536	-.01395	.21069	-.07627	.77631	.00448	.15322
Y7	.27501	-.02433	.20478	-.05923	.74841	.08895	.12692
Y10	.42149	.03230	.04463	-.03245	.60159	.26138	-.00345
Y23	.20417	.01850	-.00432	-.00619	.01516	.77253	.18114
Y27	.19342	.05035	.23144	.06758	.14251	.76060	.04867
Y30	.16158	.04092	.52904	.13605	.16628	.53873	-.13026
Y26	.05551	.04162	.01585	.04543	.14479	.19146	.70173
Y19	.31265	-.02141	.37487	.08862	.22813	-.16669	.52431

conceptualize customer orientation as a behavior. Even the instructions of the SOCO scale are designed to fit behaviors rather than beliefs and attitudes. This lack of compatibility contributes to the double loading problems of Y4 and Y25, consequently both of these items are also deleted.

The deletion of these four items from the customer orientation measure results in a total of 30 item statements. These 30 items will be submitted to further purification in order to (a) confirm the contemplated 6 dimension structure, (b) secure primary factor loadings consistent with the cut-off criteria for the study, and (c) achieve satisfactory levels of alpha estimates of reliability.

Based on the structure of the preceding factor analysis, the posited six dimensions of the customer orientation construct are as follows:

1. NEEDS  
Practices consultive style of selling in identifying and addressing the needs of the customer.
2. MANIPULATE/DECEIT  
Behaves in a credible manner and is honest and non-manipulative in dealing with customers.
3. DOUBLE-WIN  
Adopts a behavioral style in line with the philosophy that mutual benefits should result from an exchange between customer, company and salesperson.
4. PRESSURE  
Is understanding and not pushy or forceful in dealing with the customer.
5. FOLLOW-UP  
Follows up after the sale to take care of problems and assure the customer's satisfaction.
6. REPRESENT  
Represents the customers' interests in dealing with his employer company.

Within these six posited dimensions, item-to-total correlation analysis was performed on the remaining 30 items. The corrected item-to-total and pairwise correlations are delineated in Tables 40 through 45.

All 30 item statements remaining in the scale have corrected item-to-total correlations equal to or greater than .35, the cutoff criteria suggested by McKelvey (1967). Having satisfied the cutoff criteria for item-to-total correlations, additional factor analysis is performed to

test support for the posited 6 dimensions of the extended customer orientation domain.

TABLE 40  
CORRECTED ITEM-TO-TOTAL AND PAIRWISE CORRELATIONS  
FOR NEED DIMENSION ITEMS

ITEM	CORRELATIONS							
	ITEM-TO TOTAL	Y13	PAIRWISE		Y24	Y12	Y1	Y8
Y13	.71	1.00						
Y11	.69	.58	1.00					
Y5	.65	.52	.49	1.00				
Y24	.64	.55	.57	.47	1.00			
Y12	.66	.55	.53	.55	.52	1.00		
Y1	.58	.51	.45	.48	.39	.45	1.00	
Y8	.56	.46	.49	.44	.39	.39	.39	1.00

TABLE 41  
CORRECTED ITEM-TO-TOTAL AND PAIRWISE CORRELATIONS  
FOR MANIPULATE/DECEIT DIMENSION ITEMS

ITEM	CORRELATIONS							
	ITEM-TO TOTAL	Y34	PAIRWISE		Y29	Y20	Y21	Y18
Y34	.67	1.00						
Y35	.66	.73	1.00					
Y22	.60	.45	.46	1.00				
Y29	.58	.47	.46	.47	1.00			
Y20	.63	.50	.47	.49	.47	1.00		
Y21	.37	.26	.34	.39	.23	.26	1.00	
Y18	.41	.35	.26	.25	.31	.39	.17	1.00

TABLE 42  
CORRECTED ITEM-TO-TOTAL AND PAIRWISE CORRELATIONS  
FOR DOUBLE-WIN DIMENSION ITEMS

ITEM	CORRELATIONS						
	ITEM-TO TOTAL	Y32	PAIRWISE		Y28	Y17	Y19
			Y31	Y33			
Y32	.68	1.00					
Y31	.62	.61	1.00				
Y28	.57	.54	.50	1.00			
Y33	.47	.47	.37	.33	1.00		
Y17	.63	.55	.53	.46	.37	1.00	
Y19	.40	.31	.30	.29	.26	.37	1.00

TABLE 43  
CORRECTED ITEM-TO-TOTAL AND PAIRWISE CORRELATIONS  
FOR PRESSURE DIMENSION ITEMS

ITEM	CORRELATIONS				
	ITEM-TO TOTAL	Y6	PAIRWISE		Y16
			Y9	Y14	
Y6	.61	1.00			
Y9	.56	.55	1.00		
Y14	.56	.52	.46	1.00	
Y16	.35	.30	.25	.31	1.00

TABLE 44  
CORRECTED ITEM-TO-TOTAL AND PAIRWISE CORRELATIONS  
FOR FOLLOW-UP DIMENSION ITEMS

ITEM	CORRELATIONS			
	ITEM-TO TOTAL	Y2	PAIRWISE Y7	Y10
Y2	.68	1.00		
Y7	.67	.68	1.00	
Y10	.52	.49	.46	1.00

TABLE 45  
CORRECTED ITEM-TO-TOTAL AND PAIRWISE CORRELATIONS  
FOR REPRESENT DIMENSION ITEMS

ITEM	CORRELATIONS			
	ITEM-TO TOTAL	Y23	PAIRWISE Y27	Y30
Y23	.44	1.00		
Y27	.60	.47	1.00	
Y30	.45	.28	.51	1.00

Consistent with prior factor analyses, the principal components technique was used with varimax rotation. For the purpose of assessing dimensionality, the number of factors was unrestricted using the eigenvalue equal one criteria. The factor pattern and loadings from this analysis are depicted in Table 46.



TABLE 46

THIRD FACTOR ANALYSIS FOR THE CUSTOMER ORIENTATION  
MEASURE WITH NUMBER OF FACTORS UNRESTRICTED

	FACTOR 1	FACTOR 2	FACTOR 3	FACTOR 4	FACTOR 5	FACTOR 6
Y13	.78452	.12856	.20108	.03151	.08625	-.00328
Y11	.76744	.10011	.06265	.02865	.20305	.17998
Y5	.72216	.00093	.19754	.06009	.18372	.09691
Y24	.71549	.14627	.14768	.08764	.23992	.10710
Y12	.67950	.07576	.23843	.00835	.13724	.11275
Y1	.64344	-.01386	.21213	.10649	.09392	.05697
Y8	.63017	.03468	.20111	.12757	.03373	.13470
Y34	-.04720	.75644	.09693	.22797	-.11594	.11023
Y35	.04943	.73508	.19707	.22108	-.11976	.11229
Y22	.19525	.72455	.16303	.02519	-.00882	-.02279
Y29	.02302	.70023	.07252	.11034	.16666	.00090
Y20	.00036	.69240	-.00879	.30476	.09345	.10698
Y21	.26575	.52897	.10503	-.00873	-.12798	-.20746
Y18	.06254	.49915	-.21208	.23499	.35568	.06400
Y32	.32030	.19137	.73283	.06847	.04729	.13597
Y31	.30262	.14700	.62146	.04308	.22133	.26229
Y33	.26369	.20401	.59457	-.12789	.04104	-.00581
Y28	.38520	.10043	.57033	.26039	.07741	.20826
Y17	.49391	.12456	.50377	.18050	.06724	.18661
Y19	.28381	-.12001	.46921	.15098	.31525	-.15768
Y6	.14181	.21619	.04374	.78377	-.03409	.05834
Y9	.13797	.17059	.05856	.74204	-.05898	.10760
Y14	.09396	.43754	.00547	.65895	-.07623	-.02213
Y16	-.01247	.34337	.17417	.42051	.15376	-.06322
Y2	.24704	-.00889	.20806	-.05876	.80621	.03214
Y7	.26228	-.00495	.19580	-.05201	.75731	.11101
Y10	.40602	.04982	-.00907	-.03103	.60454	.30645
Y27	.18879	.05201	.20089	.06624	.13245	.76715
Y23	.18891	-.01240	.01964	.00268	.03855	.76714
Y30	.15724	.07185	.46138	.11674	.13644	.59567

This factor analysis supports the posited 6 dimensions of the extended customer orientation domain. As a further step in the purification of the scale items, this analysis indicates deletion of 6 additional items is needed due to failure to meet the threshold criteria for factor loadings. These items are Y18, Y19, Y16, Y17, Y10, and Y30.

The ensuing and reduced 24 item scale is submitted to further factor analysis using principal components and varimax rotation techniques with the number of factors restricted to 6. As indicated by the results of this analysis (Table 47), all item loadings exceed the established cut-off criteria.

Further analysis computing alphas on this revised measure results in all dimensional alphas exceeding .60 (Table 48) and of sufficient magnitude to support the measure's reliability (Nunnally 1978). The .91 reliability estimate of the overall composite measure is computed using Nunnally's formula for the reliability of a linear combination (1978). With this additional support for the 6 dimension structure, the pattern resulting from this analysis will represent the final structure of the customer orientation measure. This final, multidimensional scale of customer orientation will be referred to as CUSTOR.

#### Assessment of Validity

The preceding analysis explicates the dimensionality of the organizational culture and customer orientation constructs and supports the internal consistency of both measures. Support for the validity of both measures is made through the use of multitrait-multimethod matrices (Campbell and Fiske 1959; Heeler and Ray 1972; Churchill 1979; Ruekert and Churchill 1984). The multiple concepts used for this study are (1) organizational culture, (2) customer orientation, and (3) job satisfaction. The multiple levels of these traits measured in this study are shown in Table 49. Table 50 presents the actual MTMM matrix.

TABLE 47  
FINAL FACTOR ANALYSIS FOR THE CUSTOMER ORIENTATION MEASURE

	FACTOR1	FACTOR2	FACTOR3	FACTOR4	FACTOR5	FACTOR6
Y5	.78111	.04710	.08057	-.01049	.10364	.12717
Y13	.77372	.11204	.22513	.05673	.09468	-.03636
Y11	.71777	.05403	.18741	.09622	.20990	.10109
Y12	.71369	.09706	.19250	.00175	.11569	.10219
Y1	.69901	.01880	.08307	.04522	.08770	.10919
Y24	.64870	.10550	.28891	.13664	.23084	.02128
Y8	.64727	.03828	.21682	.13313	-.01361	.08550
Y34	-.01826	.76237	.08154	.20146	-.13968	.13464
Y35	.05096	.75570	.17800	.22225	-.09114	.10150
Y29	.07367	.74963	-.02805	.07790	.18792	.05605
Y22	.15683	.72825	.17922	.07690	.04036	-.09482
Y20	-.02102	.67760	.03578	.33700	.09418	.05523
Y21	.22215	.50211	.18509	.02194	-.10751	-.27239
Y32	.29222	.17404	.77105	.10022	.08844	.07457
Y28	.32671	.06012	.68409	.29285	.08964	.11191
Y31	.28801	.10618	.67194	.06710	.26478	.17970
Y33	.23346	.18440	.66447	-.11466	.02776	-.03759
Y6	.11398	.20619	.10067	.80357	-.03602	.00275
Y9	.11836	.19888	.02465	.75997	.00248	.10365
Y14	.05481	.42751	.06115	.68862	-.04699	-.06209
Y2	.26244	.00992	.11747	-.04547	.85387	.04654
Y7	.27046	-.01616	.18560	-.02845	.80761	.09727
Y23	.21635	.02406	-.01474	-.01280	.01564	.84629
Y27	.18318	.05756	.28661	.09893	.13184	.74164

TABLE 48  
ALPHA ESTIMATES OF RELIABILITY FOR THE  
FINAL CUSTOMER ORIENTATION MEASURE

DIMENSION	NUMBER OF ITEMS	ALPHA
NEEDS	7	.87
MANIPULATE/DECEIT	6	.82
DOUBLE-WIN	4	.76
PRESSURE	3	.76
FOLLOW-UP	2	.81
REPRESENT	2	.62
TOTAL ITEMS	24	
OVERALL CUSTOR MEASURE		.91

TABLE 49  
CONSTRUCTS AND METHODS OF MEASUREMENT FOR THE MULTI-TRAIT  
MULTI-METHOD ANALYSIS OF THE SCALES FOR ORGANIZATIONAL  
CULTURE, CUSTOMER ORIENTATION, AND JOB SATISFACTION

CONSTRUCT	MEASUREMENT METHOD LEVEL ONE	MEASUREMENT METHOD LEVEL TWO
1. ORGANIZATIONAL CULTURE	ORGCUL	CULTYPE
2. CUSTOMER ORIENTATION	CUSTOR	SOCO
3. JOB SATISFACTION	JOB ATTRIBUTES	GLOBAL

TABLE 50  
MULTI-TRAIT MULTI-METHOD ANALYSIS OF THE SCALES FOR ORGANIZATIONAL  
CULTURE, CUSTOMER ORIENTATION, AND JOB SATISFACTION

	ORGCUL	METHOD ONE CUSTOR	JOBSATA	CULTYPE	METHOD TWO SOCO	JOBSATB
METHOD ONE:						
ORGCUL	(.90) <sup>a</sup>					
CUSTOR	.33	(.91) <sup>a</sup>				
JOBSATA	.54	.24	(.74)			
METHOD TWO:						
CULTYPE	.60	.28	.45	(--) <sup>b</sup>		
SOCO	.31	.94 <sup>c</sup>	.20	.10	(.87)	
JOBSATB	.54	.22	.68	.45	.17	(.85)

<sup>a</sup> The reliability for both composite measures computed using Nunnally's formula for the "reliability of linear combinations," Nunnally, J.C. (1978), Psychometric Theory, New York: McGraw-Hill Book Co.

<sup>b</sup> Denotes single item global measure.

<sup>c</sup> As an extension of the SOCO scale, ORGCUL shares 18 of 24 items with SOCO.

The ORGCUL measure is the final 26 item organizational culture scale produced by this study. The CULTYPE measure is a global measure of corporate culture adapted from the methodology used by Ouchi (1983). As described earlier (p. 65) this measurement method establishes two generic scenarios with the respondents selecting the scenario best resembling their organization. Correlations between this categorical measure and the other measures in the MTMM analysis are made through the use of regression with CULTYPE entered as a dummy variable. Furthermore, it should be noted that the CULTYPE measure is structured to depict the polar extremes of the culture continuum. Consequently, in assessing the correlation between CULTYPE and the interval data from the ORGCUL measure, ORGCUL is transformed to a more polar variant by using only the lower 20 percent and upper 20 percent of responses. This deletes the respondents in the middle of the scale where a pure culture type is non-existent and no correlation would be expected.

For the customer orientation construct, the CUSTOR measure is this study's final 24 item measure of customer orientation. The second measure is Saxe and Weitz's (1982) 24 item SOCO measure. As ORGCUL is an extension of the SOCO measure, the scales share 18 of their 24 items in common.

The matrix trait of job satisfaction is assessed through two different levels of measures. JOBSATA is a seven item measure made at the individual job attribute level while the JOBSATB measure consists of three items at the more generalized overall level of job satisfaction. Items in both scales are taken from prior work by Hackman and Oldham (1975) and Dubinsky and Skinner (1984).

#### Convergent Validity

Examination of the validity diagonal of the MTMM matrix (Table 50) indicates strong convergent validity. The measures of organizational culture converge with a correlation of .60; the measures of customer

orientation correlate at .94; and the two measures of job satisfaction correlate at .68. This level of correlation lends support to the position that they are measuring the same construct.

#### Discriminant Validity.

The MTMM also supports the discriminant validity of the measures. The convergent validities are consistently larger than the correlations of different traits measured by the same and by different methods. The correlation between both job satisfaction measures and both organizational culture measures are in the low .50's. Although this correlation is high, the convergent correlations in the validity diagonal are higher. These relatively high discriminant correlations could also be predicted, as the literature posits a strong relationship between organizational culture and job satisfaction. Consequently, these high correlation scores can be represented as depicting the close correlation associated with these two constructs rather than clouding the discriminant validity of the organizational culture measures.

#### Construct Validity.

Examination of the MTMM matrix also reveals a high level of congruity in the pattern of correlations between the different constructs measured by both monomethod and multimethods. This consistency in pattern lends support for the existence of construct validity. Having addressed these basic forms of validity successfully, the next step in evaluating the scales is to address the issue of nomological validity by testing the measures of the organizational culture and customer orientation constructs with other constructs to see if accepted and expected relationships hold true.

### Nomological Validity

Nomological validity is assessed by examining the relationships of findings from the ORGCUL and CUSTOR scales with other constructs. If these relationships are congruent with the what is known from the literature, then support for nomological validity is established. Table 51 depicts the correlations between the ORGCUL and CUSTOR measures with other purportedly related constructs.

TABLE 51  
PAIRWISE CORRELATIONS OF ORGCUL AND CUSTOR MEASURES WITH  
ORGANIZATIONAL COMMITMENT, WORK MOTIVATION,  
ABILITY TO HELP, AND LONG-TERM RELATIONS

	ORGCUL	CUSTOR	ALPHA
COMMIT	.42 <sup>a</sup>	.33 <sup>a</sup>	.83
MOTIVE	.30 <sup>a</sup>	.40 <sup>a</sup>	.65
ABILITY	.38 <sup>a</sup>	.38 <sup>a</sup>	.37
RELATE	.24 <sup>a</sup>	.25 <sup>a</sup>	.51

<sup>a</sup> Significant at .001 Level

The measure of organizational commitment (COMMIT) is a five item scale originally developed by Hrebiniak and Alluto (1972). The scale measuring work motivation (MOTIVE) contains four items and is taken from work originating with Hackman and Oldham (1976). The ability to help measure (ABILITY) and cooperative (long-term) relations (RELATE) are both five item scales taken from measures developed by Saxe and Weitz (1982) in validating the SOCO scale.

Support for nomological validity is not measured by the particular strength of the correlations, but rather the finding of numerous correlations consistent with the conceptualized expectations. As



illustrated in Table 51, each of the posited relationships with the organizational culture and customer orientation constructs is statistically significant, giving support for the nomological validity of both constructs.

Although validity can never be proven, establishing support for the validity of a measure is seen as a cumulative process requiring support for (1) convergent validity, (2) discriminant validity, (3) construct validity, and finally, (4) nomological validity. The findings of this study provide positive support for each progressive stage of validity leading to the conclusion that both measures evidence sufficient reliability and validity for use in further research.

## CHAPTER V

### RESEARCH FINDINGS: TESTS OF HYPOTHESES

Beyond the development of measures for the organizational culture construct and the extended domain of customer orientation, this study embraces a third objective (pp. 50-53): the investigation of the posited relationship (pp. 47-49) between organizational culture and customer orientation. Although positing a relationship between the constructs of organizational culture and customer orientation, this study has not developed specific hypotheses pending the explication of organizational culture's dimensionality. Having established support for a seven dimension model of organizational culture (p. 127), this study now proceeds to develop and test specific hypotheses describing the posited relationship between the two constructs.

In the course of developing eight specific hypotheses delineating the relationship between organizational culture and customer orientation, this chapter also relates the characteristics of Ouchi's bureaucratic and clan typologies of organizational culture to the seven dimensions and measure (ORGCUL) of organizational culture developed in the preceding chapter. The first hypothesis sets forth the construct to construct relationship. The remaining seven hypotheses examine more specific relationships between the individual dimensions of organizational culture and the customer orientation construct. Following the development of the eight hypotheses, this chapter describes the results of univariate and multiple regression analyses testing each of the subject hypotheses.

### Working Hypotheses

As illustrated in Table 52, the bi-polar characteristics of Ouchi's (1989, 1981, 1983) bureaucratic and the clan culture typologies (pp. 45-47) can be described in terms of the previously developed seven dimensions and measure (ORGCUL) of organizational culture (p. 127). The bureaucratic culture is impersonal, inflexible, and relies on explicit rules and control mechanisms. Decision making tends to be highly centralized within a complex multi-level organization encouraging stability and conformity over change or innovation. The primary focus is internal and task oriented with a high level of competition between individual employees. Little loyalty for co-workers or the organization exists. In terms of the ORGCUL measure, the bureaucratic culture is characterized as low on the overall ORGCUL measure and each of its respective dimensions, TEAM, EMPOWER, PROACTIVE, COMMITMENT, NONCOMPLEX, NON-REDTAPE and SOCIAL.

TABLE 52  
INTEGRATING THE BUREAUCRATIC AND CLAN CULTURES WITH  
THE SEVEN DIMENSIONS OF THE ORGCUL SCALE

DIMENSION	BUREAUCRATIC TYPOLOGY	CLAN TYPOLOGY
ORGCUL <sup>a</sup>	LOW	HIGH
TEAM	LOW	HIGH
EMPOWER	LOW	HIGH
PROACTIVE	LOW	HIGH
NONCOMPLEX	LOW	HIGH
COMMITMENT	LOW	HIGH
SOCIAL	LOW	HIGH
NON-REDTAPE	LOW	HIGH

<sup>a</sup> ORGCUL is a summate of the seven dimensions.

At the other bi-polar extreme, the clan typology is describes as flexible, adaptive, and controlled through the cooperation, loyalty, and mutual trust for one another and the organization. Control systems are based on socialization and the internalization of norms of mutual interest. The high levels of goal congruity and informal controls emphasize respect for the individual employee over task and organizational structures tend to be simple and efficient. An external focus encourages innovation for adapting to changes and decision making tends to be decentralized and participative in nature. Expressed in terms of the ORGCUL scale's seven dimensions, the clan culture typology is characterized as scoring high on the summated ORGCUL measure and each of the individual dimensions, TEAM, EMPOWER, PROACTIVE, COMMITMENT, NONCOMPLEX, SOCIAL and NON-REDTAPE.

#### Hypothesized Construct to Construct Relationship

The posited antecedent relationship between organizational culture and customer orientation is based on characteristics of each construct (pp. 47-48 and 51-53). As discussed by Saxe and Weitz (1982), customer orientation is a long-term strategy often requiring the salesperson to forgo self-interest and short-term gains in favor of building a long-term relationship based on mutual satisfaction. Organizational cultures reflecting the bureaucratic typology (pp. 45-47) are characterized as encouraging organizational members to emphasize self-interest over the group or organizational goals (pp. 46 and 52). This is primarily due to relationships within the bureaucratic culture being negotiated and contractual in nature, hence promoting independence and individuality. The resulting low levels of goal congruity will foster self-interest driven behaviors. Within this culture, increased rewards are exchanged for increased performance as each party--the individual employee, the customer, and the organization--vie to use each other as a means for furthering their own interests. This increase in self-interest driven

behavior will result in a concurrent decrease in customer oriented behavior.

The antithesis to this decrease in customer oriented behavior will occur under the environmental influence of a culture possessing characteristics weighted toward the clan typology (pp. 47, 48 and 52). The high degree of social interrelationships, communication, and goal congruity are more conducive to the creation and maintenance of customer oriented behaviors. The strong mutual commitment operating in the clan culture is based on mutual interests resulting in higher levels of intrinsic motivation and longer-term behaviors directed at mutual gain and satisfaction rather than self-interest. In this manner, organizations tending toward the clan typology will have a positive influence on the degree of the customer oriented behavior of salespeople. Stated in Alternative Hypothesis form:

Hypothesis 1:      The higher the level of perceived clan organizational culture, the higher will be the level of salespersons' customer oriented behavior.

Hypothesized Relationships between Organizational  
Culture Dimensions and the Customer  
Orientation Construct

Having explicated the dimensions of the organizational culture and customer orientation constructs, further understanding of the relationship between the constructs can be acquired through the generation and testing of more specific hypotheses relating to the influence of the individual dimensions of organizational culture on the customer oriented behavior of salespeople. This will allow testing Parasuraman's (1985) conceptualization of a "customer oriented culture" and provide valuable insight, understanding, and normative guidance for practitioners desiring to create, increase, and/or maintain customer oriented behavior within their sales forces.

Marketing scholars (Parasuraman and Deshpande 1984; Deshpande and Parasuraman 1984; and Parasuraman 1985 and 1987) conceptualize a specific type of organizational culture that would exhibit a positive influence on performance of the marketing function of the organization. As conceptualized, this "customer oriented culture" would exhibit (1) a focus external to the firm emphasizing a common dedication to customer satisfaction; (2) flexibility in process and response through empowerment of the member; (3) creativity in generating relevant solutions to customer problems; and (4) a sincere respect for employees and co-workers. These conceptualizations of a customer oriented culture's characteristics bear a high similarity to Ouchi's (1980, 1981) clan culture typology. Furthermore, these purported customer oriented culture characteristics bear a close correspondence to this study's dimensions of organizational culture.

#### TEAM and COMMITMENT

Customer oriented behavior is typified as being understanding rather than as manipulative. Founded on the premise of building increased value through discovering and satisfying customer needs, customer oriented behavior is long term in nature and directed toward building relationships. This style of behavior is reinforced through a high level of goal congruity within the group and equity of rewards based on overall accomplishments of the organizational goals. These characteristics, and hence customer oriented behavior, will be enhanced and supported in an environment sanctioning cooperation and loyalty among fellow workers as opposed to competition. Furthermore, a long-term orientation and opportunity costs are inherent in customer oriented selling behavior. Accordingly, customer oriented behavior will result from intrinsic rather than extrinsic motivation and commitment, and an environment supportive of intrinsic motivation and commitment will have a positive influence upon customer oriented behavior. Rather than the

competitive environment resulting from a bureaucratic structure and its extrinsic motivation, the clan culture will stimulate customer orientation through arousing a spirit of cooperation and loyalty among the members and increased intrinsic commitment. Stated in Alternative Hypothesis form:

Hypothesis 2: The higher the perceived emphasis on cooperation and loyalty within the workgroup, the higher the customer oriented behavior of the salesperson.

Hypothesis 3: The higher the perceived intrinsic commitment of the workgroup, the higher the customer oriented behavior of the salesperson.

#### NON-REDTAPE, EMPOWER, and NONCOMPLEX

The characteristics of the bureaucratic culture stem from the contractual nature of the relationship--it is negotiated with terms and specific roles set out in advance. This contractual nature may be either explicit or implicit, nevertheless the result is a rigid set of rules and controls that favors the predictability of a stable environment rather than innovation. Its natural focus is on internal details with an emphasis on output and results. This internal orientation encourages centralized decision making and a complex multilevel organization. The very nature of this bureaucratic relationship stresses short-term results and will discourage adaptiveness and innovation resulting in lower levels of long-term--adaptive in nature--customer orientation.

The clan form of culture will exhibit the opposite organizational characteristics from the bureaucratic form. The clan relationship is founded on mutual commitment resulting from the socialization and norming process of the group. The orientation is external to the firm and the tasks being performed. The resulting feeling of obligation is more social and interpersonal resulting in a trust that can more readily accept and deal with change and innovation. Control is accomplished through interrelationships, pride, and goal congruence, rather than

through monitoring and application of rules. Consequently there is an evolution toward a flatter and less complex organization with decentralized and participatory decision making. Change is anticipated and planned for--individuals are empowered to adapt to these changing situations by making and implementing innovative decisions and strategies. As customer orientation requires adaptability and change, the levels of customer orientation levels will be higher under these more conducive conditions. Stated in Alternative Hypothesis form:

- Hypothesis 4:      The greater the perceived external orientation of the organization, the higher the customer oriented behavior of the salesperson.
- Hypothesis 5:      The less complex the perceived structure of the organization, the higher the customer oriented behavior of the salesperson.
- Hypothesis 6:      The more participative and decentralized the decision making process is perceived, the higher the customer oriented behavior of the salesperson.

#### SOCIAL and PROACTIVE

The bureaucratic culture by nature tends to be task oriented (emphasis is on job requirements over respect for the individual) due to the negotiated contractual nature of the relationship. This focus on task results, at the exclusion of process and social interaction, will have a negative impact on the level of customer oriented behavior. Furthermore, the bureaucratic form of culture enforces conformity and safety through adherence to established rules and procedures, consequently reducing risk taking through innovation and change. Customer oriented behavior requires flexibility to respond to a wide assortment of situations. Hence an emphasis on safety and stability over innovation and change will reduce the variety of responses available to the salesperson and is posited to lower customer oriented behavior levels in salespeople.

On the other hand, the group characteristics of norms, roles, and congruencies that dominate the clan form of culture will more inherently



encourage and translate into the social interactions and innovation required to meet the dynamic needs characteristic of adaptive, customer oriented strategies. The adaptive responses required to meet the variety of situations characterizing a customer orientation require an allowance for risk taking and empowerment of the individual to exercise innovative and discretionary behaviors. Accordingly, cultures characterized by (1) higher social and interpersonal orientations, and (2) an emphasis on innovative solutions and systematic change will favor higher levels of customer orientation and typify the customer oriented culture. Stated in Alternative Hypothesis form:

Hypothesis 7: The higher the respect for the individual member and interpersonal orientation of the organization, the higher the customer oriented behavior of the salesperson.

Hypothesis 8: The higher the perceived emphasis on systematic innovation and change by the organization, the higher the customer oriented behavior of the salesperson.

#### Tests of Hypotheses

Hypotheses are tested using data from this study's third data collection, the field survey (pp. 74-76), using the final measures developed for the study of organizational culture (ORGCUL) as independent variables and the customer orientation construct (CUSTOR) as the dependent variable. This field survey data includes responses from 344 salespeople (pp. 74-76). The methods of analysis used in testing the hypotheses include both univariate and multiple regression.

Following a descriptive summary of the data, findings for the tests of hypotheses are presented in three parts. First, the findings for the univariate relationship between summated constructs (Hypothesis 1) are presented. Second, the findings for the univariate relationships between the individual dimensions of organizational culture and the customer orientation construct (Hypotheses 2-8) are examined. The third section discusses the findings of the overall multiple regression

equation between the seven dimensions of organizational culture and customer orientation.

#### Description of Data

Scores measuring the two composite scales and each of the dimensional sub-scales are the mean average summates of the items making up each scale. The individual items making up each scale are first summed together and then divided by the number of items making up that particular scale. Scale items for the organizational culture measure are designed with a seven anchor point design with higher values representing higher levels of each dimension. Higher levels for the composite scale indicate a clan oriented culture with lower levels signifying a bureaucratic culture. Following Saxe and Weitz's (1982) example dealing with ceiling effects found in developing the SOCO scale, items composing the customer orientation measure are formatted on a nine anchor point design. Higher scores depict higher levels of customer orientation with lower scores being indicative of lower levels of customer orientation. Table 53 summarizes number of items, means, standard deviation, range, minimum, and maximum values for each scale.

Examination of frequency distributions for each scale evidences that responses to organizational culture items are well distributed across the seven scale data points and about the scale mid-point of 4. The distribution of the responses on the customer orientation (CUSTOR) scale, however, exhibits a skewness toward the higher level similar to that found by Saxe and Weitz (1982) in developing the SOCO scale. This skewness is possibly the result of fewer sales people possessing low-levels of customer orientation being included in the field sample or perhaps a positive bias resulting from the salespeople rating themselves. An additional explanation would provide support for the study's findings being indicative of reality, as salespeople with low-levels of customer orientation would be expected to self-select out of

the selling profession. As a result, the remaining active salespeople would exhibit the skewed levels of customer orientation such as that found in both this study and the Saxe and Weitz (1982) study.

TABLE 53  
SUMMARY DATA DESCRIPTION

SCALE	NO. ITEMS	MEAN SCORES	ST. DEV.	RANGE	MIN.	MAX.
<b>ORGANIZATIONAL CULTURE:</b>						
ORGCUL	26	4.33	.70	3.82	2.33	6.15
TEAM	5	4.95	1.18	5.80	1.20	7.00
EMPOWER	5	5.01	1.12	6.00	1.00	7.00
PROACTIVE	4	4.64	1.05	5.75	1.25	7.00
NONCOMPLEX	3	3.69	1.41	6.00	1.00	7.00
COMMITMENT	3	4.53	1.30	6.00	1.00	7.00
SOCIAL	3	3.67	1.29	6.00	1.00	7.00
NON-REDTAPE	3	3.82	1.28	6.00	1.00	7.00
<b>CUSTOMER ORIENTATION:</b>						
CUSTOR	24	7.00	.95	5.04	3.96	9.00
NEEDS	7	7.72	1.10	6.57	2.43	9.00
MANIP/DEC	6	7.13	1.56	8.00	1.00	9.00
DOUBLE-WIN	4	8.07	.98	5.25	3.75	9.00
PRESSURE	3	6.19	1.93	8.00	1.00	9.00
FOLLOW-UP	2	7.15	1.69	8.00	1.00	9.00
REPRESENT	2	5.79	1.99	8.00	1.00	9.00

#### Construct to Construct Relationship

Hypothesis 1: The higher the level of perceived clan organizational culture (ORGCUL), the higher will be the level of salesperson customer oriented behavior (CUSTOR).

Stated in the form of an Alternate Hypothesis, this first hypothesis postulates that organizational cultures approximating higher levels of characteristics common to the clan culture type will generate

higher levels of customer orientation. The results of the regression analysis testing this first hypothesis are given in Table 54. The summated measure of organizational culture, the ORGCUL scale is the independent variable with the summate of the CUSTOR customer orientation measure being the dependent variable. As specified earlier, higher scores on the ORGCUL scale typify a clan culture orientation while lower scores characterize a bureaucratic culture orientation. In a comparable convention, higher scores on the CUSTOR scale signal higher levels of customer orientation.

As illustrated in Table 54, this study finds support for the conceptualized relationship between organizational culture and customer orientation (Hypothesis 1), in that a statistically significant relationship ( $F=27.99$ ;  $p<.0000$ ) is found between the two constructs. The  $R^2$  value for this construct to construct equation indicates explained variation in the customer orientation variable of 09.1 percent. Additionally, the direction of the relationship, as noted by the sign of the correlation coefficient is positive, matching the original conceptualization.

TABLE 54  
REGRESSION ANALYSIS OF ORGANIZATIONAL CULTURE  
WITH CUSTOMER ORIENTATION

CONSTANT	STD. BETA	F	PROB. F	$R^2$
5.24	+ .301	27.99	.0000	.091

Organizational Culture Dimensions to Customer  
Orientation Construct Relationships

Hypotheses 2 through 8 postulate the dimensional relationships of organizational culture with the customer orientation construct. While discussed previously, each hypothesis is stated in the form of an Alternative Hypothesis. For illustrative purposes, the hypotheses are restated here along with their relevant dimensions of organizational culture displayed in all capital letters.

- Hypothesis 2: The higher the perceived emphasis on cooperation and loyalty (TEAM) within the workgroup, the higher the customer oriented behavior of the salesperson (CUSTOR).
- Hypothesis 3: The higher the perceived intrinsic commitment (COMMITMENT) of the workgroup, the higher the customer oriented behavior of the salesperson (CUSTOR).
- Hypothesis 4: The greater the perceived external orientation of the organization (RED TAPE), the higher the customer oriented behavior of the salesperson (CUSTOR).
- Hypothesis 5: The less complex the perceived structure of the organization (NONCOMPLEX), the higher the customer oriented behavior of the salesperson (CUSTOR).
- Hypothesis 6: The more participative and decentralized the decision making process (EMPOWER) is perceived, the higher the customer oriented behavior of the salesperson (CUSTOR).
- Hypothesis 7: The higher the respect for the individual member and interpersonal orientation (SOCIAL) of the organization, the higher the customer oriented behavior of the salesperson (CUSTOR).
- Hypothesis 8: The higher the perceived emphasis on systematic innovation and change (PROACTIVE) by the organization, the higher the customer oriented behavior of the salesperson (CUSTOR).

The results of the univariate regression analyses testing each of these seven hypotheses are given in Table 55. The seven individual dimensions of organizational culture, as measured by the ORGCUL scale, serve as independent variables in each equation with the summate of the CUSTOR customer orientation measure being the dependent variable.

TABLE 55

## UNIVARIATE REGRESSION ANALYSIS OF THE INDIVIDUAL DIMENSIONS OF ORGANIZATIONAL CULTURE WITH CUSTOMER ORIENTATION

DIMENSION		CONSTANT	BETA	F	PROB. F	R <sup>2</sup>
H2	TEAM	5.82	+.300	29.37	.0000	.09
H3	COMMITMENT	6.43	+.169	8.81	.0032	.03
H4	NON-REDTAPE	6.73	+.093	2.62	.1067	.01
H5	NONCOMPLEX	7.14	-.053	.82	.3657	.00
H6	EMPOWER	5.64	+.331	36.44	.0000	.11
H7	SOCIAL	6.61	+.139	5.90	.0157	.02
H8	PROACTIVE	5.90	+.269	23.25	.0000	.07

As illustrated in Table 55, this study finds mixed support for the seven dimensional hypotheses. The results for Hypotheses 2, 3, 4, 6, 7 and 8 support the supposition that a statistically significant relationship exists between TEAM ( $F=29.37$ ,  $p<.0000$ ), COMMITMENT ( $F=8.81$ ,  $p<.0032$ ), NON-REDTAPE ( $F=2.62$ ,  $p<.1067$ ), EMPOWER ( $F=36.44$ ,  $p<.0000$ ), SOCIAL ( $F=5.90$ ,  $p<.0157$ ), and PROACTIVE ( $F=23.25$ ,  $p<.0000$ ) dimensions and the customer orientation construct. Furthermore, the direction of each relationship matches the direction originally hypothesized.

The  $R^2$  values for the statistically significant dimensions indicate explained variation in the customer orientation dependent variable ranging from 1 to 11 percent. TEAM ( $R^2=.09$ ), EMPOWER ( $R^2=.11$ ), and PROACTIVE ( $R^2=.07$ ) provide the highest levels of explanation. These findings support the conceptualized influence on customer oriented behavior from goal congruity within the group and employees entrusted to make and implement decisions in order to adapt to changing situations. COMMITMENT ( $R^2=.03$ ), SOCIAL ( $R^2=.02$ ), and NON-REDTAPE ( $R^2=.01$ ) explain far less variance in the dependent variable, customer oriented behavior of salespeople. Nevertheless, the findings of statistically significant relationships provide empirical support for

the influential nature of intrinsic over extrinsic commitment to the organization, imparting consideration and respect for the needs of the individual over the accomplishment of the task, and maintaining an external focus in order to monitor and change strategies in changing environment. These characteristics translate into the social interactions, along with the discretionary and innovative behaviors, required to respond and adapt to the variety of situations characterizing a customer orientation. As such, these findings of significant relationships provide management with meaningful normative guidelines for designing, implementing, and sustaining the proper organizational culture for high levels of customer orientation.

No support is found for Hypothesis 5 ( $F=0.82$ ,  $p<.3657$ ). This hypothesis posited a relationship between the complexity of an organization's structure and the customer oriented behavior of salespeople. This failure to find a significant relationship between the level of complexity of an organization's structure and the customer oriented behavior of salespeople is most likely a direct result of the nature of the selling job. Salespeople tend to operate out and away from the actual organization itself. Often operating independently or out of a small sales office, many salespeople would have little actual direct contact with the organizational hierarchy and thus see it as no hinderance to their individual behavior. An additional alternative explanation could simply be that salespeople have developed their own informal and more productive paths around any inefficiencies that might result from multiple departments and authority. As discussed by Luthens (1992, p. 525), tall and more complex structures can offer more opportunity for personal contact between superiors and subordinates. This contact is often presumed to be negative and conflicting, nevertheless, it could also be positive and productive.

Taken together, this observation by Luthens (1992) and the initial findings from this exploratory study raise some question regarding the

proper inclusion of the NONCOMPLEXITY dimension within the domain of customer orientation. This question is further advanced by the lack of statistically significant pairwise correlation between the measure of the NONCOMPLEXITY dimension and the other dimensions of organizational culture. As illustrated in Table 58, the only statistically significant relationship for NONCOMPLEXITY is with the NON-REDTAPE dimension. This lack of correlation results in a low corrected item-to-total correlation with the ORGCUL measure of .044. Nevertheless, due to the support in the literature for this dimension of organizational complexity (or noncomplexity) being included in the domain of organizational environment (Campbell et al. 1970; Reynolds 1986), this study continues to include this dimension in further analysis. This remains consistent with the literature and can only constrain this study or affect findings in a conservative direction.

#### Multiple Regression Analysis

A third regression analysis utilizing multiple regression was conducted for two purposes. The first objective of this additional analysis was to derive a better estimate of the strength of the relationship between organizational culture and customer orientation than was derived from the first analysis testing Hypothesis 1. The test of the construct to construct relationship indicates that organizational culture explains 09.1 percent of the variance in the level of salespersons' level of customer orientation. Nevertheless, the mixed findings resulting from the univariate dimensional regression analyses indicate that a better assessment of the relationship's nature and strength could possibly result from using only the statistically significant dimensions of organizational culture as independent variables as compared to using the full summated measure. The inclusion of marginal (ie. SOCIAL ( $F=5.90$ ,  $p<.0157$ ,  $R^2=.02$ ), COMMITMENT ( $F=8.81$ ,  $p<.0032$ ,  $R^2=.03$ ), and NON-REDTAPE ( $F=2.62$ ,  $p<.1067$ ,  $R^2=.01$ )) or non-



significant variables (ie. NONCOMPLEX [ $F=0.82$ ,  $p<.3657$ ]), can result in a biased estimate of the relationship (Schroeder, Sjoquist, and Stephan 1986, pp. 67-68). Consequently, multiple regression using only the relevant and statistically significant dimensions of organizational culture should provide an unbiased and thus better assessment of the actual relationship.

The second purpose of this additional analysis directly addresses the primary research question driving this study: "How does a firm create and sustain a customer orientation?" (p. 11). In accomplishing this purpose, multiple regression analysis is used to derive an overall equation of customer orientation as explained by the relevant dimensions of organizational culture. Use of the standardized beta coefficients from the resulting equation will facilitate direct comparison in determining the relative strength or importance of the dimensions of organizational culture relevant to forming and maintaining customer oriented behaviors in a sales force.

This analysis utilizes a step-wise multiple regression technique with forward variable entry. The probability of F to enter criteria (PIN) was set at 0.10 and the probability of F to stay in (POUT) was set at 0.11. As evidenced by the results summarized in Table 56, this forward, stepwise, multiple regression analysis allows only the dimensions of EMPOWER and TEAM to enter the equation.

The results of this analysis indicate that the more parsimonious equation consisting of only the TEAM and EMPOWER dimensions explains more variance ( $R^2=.134$ ) in customer orientation than does the summate to summate equation ( $R^2=.091$ ). The summate to summate equation includes the nonsignificant NONCOMPLEX ( $F=0.82$ ,  $p<.3657$ ) dimension and significant, but potentially irrelevant dimensions of SOCIAL ( $F=5.90$ ,  $p<.0157$ ,  $R^2=.02$ ), COMMITMENT ( $F=8.81$ ,  $p<.0032$ ,  $R^2=.03$ ), and NON-REDTAPE ( $F=2.62$ ,  $p<.1067$ ,  $R^2=.01$ ). Consequently, the trimmed equation shows a better fit with the data. Nevertheless, the failure of the

statistically significant PROACTIVE dimension ( $F=23.25$ ,  $p<.0000$ ,  $R^2=.07$ ) to enter the overall equation presents a need for further understanding and analysis to investigate the PROACTIVE dimension as a potential relevant variable.

TABLE 56  
FORWARD STEP-WISE MULTIPLE REGRESSION ANALYSIS OF THE  
INDIVIDUAL DIMENSIONS OF ORGANIZATIONAL CULTURE  
WITH CUSTOMER ORIENTATION<sup>a</sup>

DIMENSIONS	STND BETA	t	SIG. t
VARIABLES ENTERING THE EQUATION:			
EMPOWER	+.243	3.32	.0008
TEAM	+.162	2.25	.0253
CONSTANT	5.376		
R <sup>2</sup>	.134		
ADJ. R <sup>2</sup>	.128		
F	21.667		
PROB. F	.0000		

<sup>a</sup> Probability of F to enter set at 0.10.  
Probability of F to stay in set at 0.11

For verification of the two variable equation resulting from the preceding stepwise, forward, multiple regression analysis, additional multiple regression analysis was performed entering each of the seven dimensions of organizational culture as independent variables and the summate of customer orientation as the dependent variable. This verification was conducted in order to check for any possible failure of variables to enter the forward, stepwise analysis due to order of entry. As illustrated in Table 57, this subsequent analysis supports the findings from the earlier forward stepwise analysis with only the

EMPOWER and TEAM variables exhibiting a statistical significant relationship with customer orientation.

TABLE 57  
FORCED ENTRY MULTIPLE REGRESSION ANALYSIS OF THE  
INDIVIDUAL DIMENSIONS OF ORGANIZATIONAL CULTURE  
WITH CUSTOMER ORIENTATION<sup>a</sup>

DIMENSIONS		STND BETA	t	SIG. t
NON-REDTAPE		+.030	.488	.6262
PROACTIVE		+.088	1.303	.1936
SOCIAL		+.059	1.001	.3178
NONCOMPLEX		-.080	-1.372	.1712
COMMITMENT		-.036	-.523	.6014
TEAM		+.143	1.883	.0608
EMPOWER		+.209	2.674	.0080
CONSTANT	5.293			
R <sup>2</sup>	.150			
ADJ. R <sup>2</sup>	.128			
F	6.193			
PROB. F	.0000			

The results of this multiple regression analysis provide further support for using the more parsimonious two variable equation as a predictor of salesperson customer oriented behavior. Nonetheless, some question remains regarding the inclusion or exclusion of PROACTIVE as a relevant variable. PROACTIVE, along with the failure of the three weaker relationship variables of SOCIAL, COMMITMENT, and NON-REDTAPE, fail to enter into the multiple regression equation as statistically significant variables. Although each of these variables exhibit a statistically significant relationship using univariate analysis, their failure to enter the multiple regression analysis results from interrelationships between the independent variables (Table 58). As a

result of these intercorrelations, portions of the influence on CUSTOR from PROACTIVE, SOCIAL, COMMITMENT and NON-REDTAPE is being absorbed and accounted for by the stronger variables, EMPOWER and TEAM. Working toward maintaining the integrity of independence between independent variables, orthogonal factor analysis (varimax rotation) was utilized to develop the initial construct dimensions (Hair et al., 1992, pp. 236-237). Nonetheless, as is often the case in social science research, statistically significant relationships remain between the independent variables (Schroeder, Sjoquist, and Stephan 1986, pp. 71-72).

TABLE 58  
PAIRWISE CORRELATIONS BETWEEN INDEPENDENT VARIABLES

	1.	2.	3.	4.	5.	6.	7.	8.
1. TEAM	1.00							
2. EMPOWER	.62 <sup>a</sup>	1.00						
3. PROACTIVE	.47 <sup>a</sup>	.50 <sup>a</sup>	1.00					
4. COMMITMENT	.49 <sup>a</sup>	.47 <sup>a</sup>	.43 <sup>a</sup>	1.00				
5. SOCIAL	.13	.16 <sup>b</sup>	.14 <sup>b</sup>	.11	1.00			
6. NONCOMPLEX	-.02	--	-.05	-.06	-.01	1.00		
7. NON-REDTAPE	.17 <sup>b</sup>	.24 <sup>a</sup>	.08	.15 <sup>b</sup>	.22 <sup>a</sup>	.29 <sup>a</sup>	1.00	
8. ORGCUL	.69 <sup>a</sup>	.72 <sup>a</sup>	.61 <sup>a</sup>	.64 <sup>a</sup>	.45 <sup>a</sup>	.33 <sup>a</sup>	.56 <sup>a</sup>	1.00

<sup>a</sup> Significant at .001

<sup>b</sup> Significant at .010

Due to the relatively strong correlations between the four dimensions of TEAM, EMPOWER, PROACTIVE, and COMMITMENT, an examination of potential multicollinearity was conducted through the computation of (1) the tolerance and (2) variance inflation factor (VIF) for each of the more highly correlated variables. In testing for multicollinearity, Hair et al. (1992, pp. 48-49 and 73-75) identify the commonly accepted cutoff thresholds as a tolerance level of 0.10 and VIF levels of 10.

That is, tolerance levels below 0.10 and/or VIF levels exceeding 10 would be indicative of multicollinearity. As illustrated in Table 59, the tolerance levels are well above the 0.10 cutoff and the variance inflation factors are considerably below the 10 cutoff threshold. The results of this analysis provide support for the conclusion that while the independent variables do share intercorrelations, no problems of multicollinearity exist in the data.

TABLE 59  
TOLERANCE AND VARIANCE INFLATION FACTORS FOR THE PROACTIVE,  
EMPOWER, AND TEAM DIMENSIONS OF ORGANIZATIONAL CULTURE

VARIABLE	TOLERANCE	VARIANCE INFLATION FACTOR
PROACTIVE	.715	1.3986
EMPOWER	.577	1.7331
TEAM	.594	1.6835
COMMITMENT	.692	1.4450

With multicollinearity eliminated as a problem, the issue of a strong and statistically significant variable such as PROACTIVE not entering the multiple regression equation must be investigated. In examining issues of specification and relevant variables, Schroeder, Sjoquist, and Stephan (1986, pp. 67-68) counsel comparing the explanatory power along with any significant changes in the estimated regression and beta coefficients between the two alternative equations: the first being the trimmed equation and the second equation including the variable in question. If there is significant change in explanatory power and in the estimates of beta coefficients, then the marginal

variable is best included. If no significant change occurs, the variable is irrelevant and should be excluded.

For purposes of comparison, further multiple regression analysis was conducted in which the criteria statement forced the entry of only the three dimensions of TEAM, EMPOWER, and PROACTIVE into the regression equation. The results of this analysis (Table 60) reveal an  $R^2$  of .135, a coefficient of multiple determination of little difference from that produced by the two variable equation.

TABLE 60

FORCED ENTRY MULTIPLE REGRESSION ANALYSIS OF THE PROACTIVE,  
EMPOWER, AND TEAM DIMENSIONS OF ORGANIZATIONAL CULTURE  
WITH CUSTOMER ORIENTATION

DIMENSION		STND BETA	t	SIG. t
TEAM		+.138	1.90	.0581
EMPOWER		+.190	2.59	.0102
PROACTIVE		+.110	1.68	.0940
CONSTANT	5.247			
$R^2$	.135			
ADJ. $R^2$	.126			
F	14.885			
PROB. F	.0000			

For equations containing different numbers of independent variables, it is suggested that the adjusted  $R^2$  offers a more valid comparison of two equations having a different number of variables (Hair et al., 1992, p. 58). A comparison of the adjusted  $R^2$ 's between the two equations supports the two variable equation as the better specification of the overall relationship. The trimmed two variable equation has an adjusted  $R^2$  of .128, while the three variable equation indicates an  $R^2$

of .126. Reflecting the shared variance between the three variables in question, there is an expected change in the estimates of the beta coefficients. The beta coefficient for TEAM goes from .162 in the two variable equation to .138 in the three variable version. The beta coefficient for EMPOWERMENT is reduced from .243 in the two variable equation to .190 with three variables.

An additional comparison between the two equations can be made using the sum of the squared errors to assess the accuracy of the two equation forms. In this comparison, the smallest squared error term would indicate the highest accuracy between the equations (Hair et al., 1992, p. 27). The two variable equation's SSE of 32.143 is slightly smaller than the 33.003 associated with the three variable equation.

Both the adjusted  $R^2$  and the squared standard error criteria indicate that the more parsimonious, two variable equation provides the better specification of the overall relationship between organizational culture and the level of sales force customer orientation. A comparison of the beta coefficients from this two variable multiple regression model marks the EMPOWER ( $b=.243$ ) dimension as having more relative impact upon customer orientation than does the TEAM dimension ( $b=.162$ ). Nonetheless, considering (a) their relatively high correlations among one another and (b) the  $R^2$  values from the univariate regression analysis (Table 55), practitioners would do well to bear in mind the significant relationship each of these variables has on customer orientation.

This study's empirical findings in support of the positive relationship between organizational culture and customer orientation begin to provide the practitioner with answers to the study's original research question: "How does a firm create and sustain a customer orientation?" Indeed, these findings provide the initial empirical evidence supporting the existence and the characteristics of Parasuraman and Deshpande's conceptualized "customer oriented culture" (Parasuraman and Deshpande 1984; Deshpande and Parasuraman 1984; and Parasuraman 1985 and 1987). As hypothesized, this culture has a positive influence upon

customer orientation. Although exploratory in nature, the results of this study direct managers to develop and sustain a culture that (1) empowers its employees to be creative in generating and implementing relevant decisions and solutions (EMPOWER), (2) encourages cooperation, mutual support, and loyalty among fellow workers (TEAM), (3) is predisposed toward flexibility and change in a dynamic internal and external environment (PROACTIVE), (4) stimulates an intrinsic motivation and commitment to the organization (COMMITMENT), (5) focuses on external matters and opportunities rather than details of process and task (NON-REDTAPE), and (6) exhibits a sincere respect and interest in the individual workers' interests over the strict accomplishment of tasks (SOCIAL).



## CHAPTER VI

### DISCUSSION AND IMPLICATIONS

The discussion of this study follows in four parts. First, the supporting literature is reviewed, followed by a discussion of the methodology utilized in the study. Third, the research findings are reviewed and the implications for researchers and practitioners developed. Last, limitations of the study and recommendations for future research are presented.

#### Overview of Supporting Literature

The driving force behind this study is the research question: "How does a firm create and sustain a customer orientation?" In answering this question, we posit and investigate the concept of organizational culture as an antecedent for the effective implementation and maintenance of customer orientation within a sales organization. The potential explanatory power of organizational culture has been conceptualized by numerous marketing scholars. Hypothesizing that organizational culture "can account for a substantial variance in marketing performance, especially the residual variance that traditional independent variables cannot explain..." Parasuraman and Deshpande (1984), Deshpande and Parasuraman (1984), and Parasuraman (1985, 1987). Deshpande and Parasuraman (1984, p. 137) first conceptualized the potential influence of organizational culture upon the marketing function of the firm. Most recently, Payne (1988) and the Marketing Science Institute (1989, p.7) have made inferences regarding the possible influence of organizational culture on customer orientation.

### Theoretical Justification

As critiqued by O'Reilly, Chatman, and Caldwell (1991, p. 487), due to a lack of investigation, debate continues regarding the specific elements and measures of organizational culture. Nonetheless, there is agreement conceptualizing culture as a factor influencing the behavior of an individual within an organizational context (e.g., Schein 1985; Kilmann, Saxton, and Serpa 1986). The concept of organizational culture stems from Lewinian field theory (Lewin 1935) in which individual behavior is posited as a function of the interaction of the person and his immediate psychological environment. Further work by Lewin (1943) and Schein (1965) brought Lewinian field theory into the realm of organizational psychology, resulting in social system theory and group development theory. These theories view individual behavior as being shaped by the results of a dynamic process of adaption to perceived internal and external environments (Tuckman 1965; Bales 1970; Tuckman and Jenson 1977; Schein 1985). This interactive process of adaptation results in certain shared values which, in turn, act as norms further shaping the behaviors of individual members. As defined by scholars in organizational behavior, these shared values result in an "enacted environment" (Weick 1979), the culture of the organization (Kroeber and Kluckhohn 1952; Becker and Geer 1970; Van Maanen and Schein 1979; Siehl and Martin 1981; Tichy 1982; Uttal 1983; Smircich 1983; Louis 1983). Viewed in this manner, the culture of an organization is composed of norms--shared values--that influence and guide individuals' behaviors.

Customer orientation is defined as a philosophy and behavior directed toward determining and understanding the needs of the target customer and adapting the response in order to satisfy those needs better than the competition (Saxe and Weitz 1982; Narver and Slater 1989; Marquardt 1989). The findings of Williams and Wiener (1990) provide further support for customer orientation of salespeople being an

adaptable behavior reflecting the orientation of the organization's management.

In describing adaptive, customer oriented behaviors, marketing scholars describe the multiple roles that are taken on by a salesperson representing the customer as well as the firm. The ensuing non-routine situations and demands result in conditions of high job complexity and job/task ambiguity (Walker, Churchill, and Ford 1975; Churchill, Ford and Walker 1976; Dubinsky et al. 1986). Ouchi (1980) argues that the specific characteristics of the clan culture type will make the clan form of organizational culture more efficient and effective under the conditions of high job complexity and high job/task ambiguity such as is found in selling situations. Further accentuating the influence of organizational culture on the customer orientation of salespeople, Parasuraman contemplates the characteristics of a customer oriented organizational culture as: (1) a focus external to the firm emphasizing a common dedication to customer satisfaction; (2) flexibility in process and response through empowerment of the member; (3) creativity in generating relevant solutions to customer problems; and (4) a sincere respect for employees and co-workers. These characteristics bear a close resemblance to Ouchi's (1980) clan culture.

### Methodology

Investigation of the posited relationship between the constructs of organizational culture and customer orientation rests on the ability to measure each construct of interest. This requirement introduces a significant problem: the lack of suitable scales possessing proven reliability and validity.

Organizational Culture. Reflecting its adolescent stage of development, organizational culture research is wanting for both precision and rigor (Wiener 1988). The majority of research into organizational culture has been descriptive and qualitative in nature

(e.g. Deal and Kennedy 1982; Ouchi 1983; Martin et al. 1983). Beginning with Reynolds (1986) and Cooke and Rousseau (1988), there have been efforts in the direction of more rigorous and empirical investigation. Nevertheless, available and published measures fail to adequately address the issues of reliability and validity.

Customer Orientation. Saxe and Weitz's (1982) SOCO scale provided a valuable first step toward the operationalization and measurement of customer orientation as a behavior of salespeople. However, contemporary thought by numerous marketing scholars (e.g. Coppett and Staples 1990; Anderson 1991; Manning and Reece 1992) reflects the relationship approach to selling and emphasizes several additional elements not included in the SOCO measure. These additional elements include (1) Following-up sales to assess satisfaction and provide post-sale services, (2) Adopting and practicing the "double-win" negotiation strategy, and (3) Being a customer advocate through representing the customer to the company before, during and after the sale. Continued exclusion of these service augmentation and boundary spanning roles would result in understating the domain of customer orientation.

The lack of suitable scales for use in investigating our key research question requires the development of scales for the constructs of customer orientation and organizational culture. Consequently, in addressing the single research question driving this study, the research design must achieve three primary objectives:

1. Develop a scale for the purpose of measuring the organizational culture construct at the level of the individual member of the organization.
2. Extend the Selling Orientation-Customer Orientation (SOCO) scale (Saxe and Weitz 1982) to include the additional elements of the customer orientation domain.
3. Test the hypothesized relationships between organizational culture and customer orientation.

### Scale Development

Adhering to the multi-step process advocated by Churchill (1979) for the development of reliable and valid measures, this study utilizes the survey format in a series of three independent stages of data collection and analysis. The survey design samples participants across several types of selling situations within each of the three stages. At the same time, any overlap in respondents from stage to stage is precluded. Survey instruments were distributed directly to the participants along with blank envelopes in which to seal their responses. Along with conducting each survey under the auspices of the Oklahoma State University Center for Product and Service Quality, the envelopes were included to further assure confidentiality of responses.

The survey instrument used in the first stage of data collection included item statements relative only to the organizational culture measure. From a total of 137 participants, a total of 108 responses were received resulting in a 79 percent return rate. Data from this first survey was analyzed using corrected item-to-total correlations and Cronbach's coefficient alpha for the purpose of reducing the large number of item statements generated for the organizational culture construct.

The second data collection step involved the distribution of 683 survey instruments. A total of 655 total responses were received for a response rate of 96 percent. Out of the total 655 responses, 302 were full time salespeople. Data from all 655 respondents was analyzed to purify and reduce the item statements for organizational culture using corrected item-to-total correlations, Cronbach's coefficient alpha, and factor analysis. Using these same analysis techniques, data from the 302 sales respondents was analyzed for the purification and reduction of the customer orientation measure. This stage of analysis also provided the explication of the dimensionality for both constructs. The resulting purified measures were incorporated into a third questionnaire

to be used in collecting data for confirmation of dimensionality and reliability along with investigation of measure validity.

The third stage of data collection involved a total of 394 full time salespeople as participants. A total of 344 completed responses were obtained for a response rate of 87.3 percent. This stage of analysis tested several new item statements added to each measure as a result of the previous step and further confirmed reliabilities and dimensional structures using item-to-total correlations, Cronbach's coefficient alpha, and factor analysis. The validity of each measure was assessed in this stage using the multi-trait multi-method matrix.

### Tests of Hypotheses

Tests of the hypothesized relationships between organizational culture and customer orientation was effected through the use of univariate regression and multiple regression. Univariate regression was used to test the hypothesized relationship between (a) the two constructs and (b) between the individual dimensions of organizational culture and the customer orientation construct. Multiple regression was used to simultaneously test the relationship of the organizational culture dimensions with customer orientation. This analysis was selected in order to obtain standardized beta coefficients revealing the relative influence of each of the organizational culture dimensions on customer orientation.

### Findings and Implications

The findings from this study make substantial contributions to the field of marketing, particularly sales management. Dimensions are empirically explicated and much needed measures, possessing support for reliability and validity, are developed for both organizational culture and customer orientation. The highly conceptualized relationships between the culture of an organization and the level of customer

orientation of its salespeople are empirically explored and supported. Furthermore, a major step is made toward linking research from the field of organizational behavior to marketing management.

### Organizational Culture

Integrating theory and investigation from organizational behavior, social psychology, communications, and marketing, organizational culture is empirically investigated and a measurement scale is developed with a marketing perspective. Each of the individual dimensional sub-scales meet or exceed Nunnally's (1978) .60 reliability criteria for use in further research. Computed through the formula for linear combinations (Nunnally 1978), the overall composite measure results in an estimated reliability of .90. The findings from this investigation explicate the seven dimension structure of organizational culture and bring about a better understanding of the operating characteristics and consequences of this construct. Together, this measure and increased knowledge regarding organizational culture provide both encouragement and a vehicle for the further study of the determinants and consequences of an organization's culture on marketing performance.

### Customer Orientation

This study extends our previous understanding of customer oriented behavior to include a broader and more contemporary interpretation of the construct's domain. The immediate and direct results of this extension are (1) the clarification of the multi-dimensional nature of the construct and (2) a measure with confirmed levels of reliability and validity. Each of the individual dimensional sub-scales meet or exceed Nunnally's (1978) .60 reliability criteria for use in further research. Computed through the formula for linear combinations (Nunnally 1978), the overall composite measure results in an estimated reliability of .91. For the researcher, this combination provides a valuable vehicle

for further identification, study, and understanding of the antecedents and determinants of customer oriented behaviors. For the practitioner, this combination provides a framework for benchmarking performance, assessing training needs, and implementing strategies encouraging customer oriented behavior.

#### Relationships Between Organizational Culture and Customer Orientation

The hypothesized relationships between organizational culture and the customer orientation level of salespeople are supported by the findings of this study. At the construct to construct level, a positive relationship is supported ( $F=27.99$ ,  $p<.0000$ ,  $B=+.301$ ) with organizational culture explaining 09.1 percent of the variance in customer orientation. Reflecting the design of the organizational culture measure, this finding supports prior conceptualizations that cultures tending more toward the clan typology would have a positive influence on customer orientation of salespeople.

Using univariate regression analysis, support for the dimensional hypotheses is mixed. Strong support is found for the relationships between the EMPOWER ( $F=36.44$ ,  $p<.0000$ ,  $B=+.331$ ,  $R^2=.11$ ), TEAM ( $F=29.37$ ,  $p<.0000$ ,  $B=+.300$ ,  $R^2=.09$ ), and PROACTIVE ( $F=23.25$ ,  $p<.0000$ ,  $B=+.269$ ,  $R^2=.07$ ) dimensions and the customer orientation construct. At lower levels of significance, the COMMITMENT ( $F=8.81$ ,  $p<.0032$ ,  $B=+.169$ ,  $R^2=.03$ ), SOCIAL ( $F=5.90$ ,  $p<.0157$ ,  $B=+.139$ ,  $R^2=.02$ ) and NON-REDTAPE ( $F=2.62$ ,  $p<.1067$ ,  $B=+.093$ ,  $R^2=.01$ ) dimensions find support for relationships with customer orientation. No support is found for the NONCOMPLEX dimension ( $F=.82$ ,  $p<.3657$ ). This lack of support for NONCOMPLEX is possibly due to most salespeople operating out-and-away from the actual organization or that they may have developed their own informal and more efficient communication paths around the bureaucracy. An additional explanation could be that tall and more complex structures



offer more opportunity for personal contact and communication. Although this conflict is often seen as negative and conflicting, it could also be positive and productive.

Tests for multi-collinearity indicate that no problems exist. Nonetheless, the levels of shared variance between the EMPOWER, TEAM, and PROACTIVE dimensions result in only the EMPOWER and TEAM dimensions entering the multiple regression equation as significant when using a probability of F entering criteria set at .10. This inability of PROACTIVE to enter due to EMPOWER and TEAM already accounting for most of its effect is perhaps explained by Parasuraman (1985) as he expounds one of the characteristics of a customer oriented culture as flexibility in process and response through empowerment of the member. This intimates that propensity toward change (PROACTIVE) can come about through the empowerment of the individual employee (EMPOWER), in which case EMPOWER would indeed have the most relevance. The relative importance of EMPOWER is further supported by the standardized beta coefficients. EMPOWER receives a coefficient of .243 compared to the coefficient for TEAM of .162.

These findings have many implications for both researchers and practitioners. Certainly these early results call for further research and verification. As the first empirical study of the dimensionality and effect of organizational culture on customer orientation, the findings from this study equip scholars and practitioners with more than just intuition for making and implementing strategic decisions. If future replications produce similar findings, the message is clear--the culture of an organization can have definite influences upon the customer oriented behavior of salespeople.

#### Limitations of Research

As with any research, this study has several limitations. First was the method of selecting the samples in each of the data collection

stages. Cooperation was solicited from companies in order to grant access to their salespeople. Although a variety of different company and industry types was included to boost the generalizability of the results, the fact that companies, and even sales managers, self-selected to join the study has the potential to introduce bias into the study and certainly confounds the generalizing of results to the overall population of salespeople and sales organizations.

The possibility of interviewer bias must also be considered. Although a realistic cover of the Center for Product and Service Quality was used in the surveys, it is possible that some respondents placed the researcher as a marketing instructor and inflated their self ratings in order to make themselves appear more consistent with their "social self." The issue of respondent fatigue should also be considered due to the detail and length of the survey instruments. The measures for organizational culture and customer orientation were placed up front, nevertheless, respondent fatigue remains as a potential consideration in examining the results of the study.

Although the study uses different levels of measurements for the constructs and traits of interest in the multi-trait multi-method assessment of validity, the measures do not achieve the desired level of being maximally different. All measures were taken on the basis of simultaneous, self-report, pencil and paper methods. This possibly introduces some method artifacts into the validity relationships. The ability to design and obtain objective correlates in future research would strengthen claims for validity.

An additional limitation of a study of this nature is the inability to establish causality. Assertions of causality are best made through experimental research. Consequently, the conclusions of cross-sectional data such as used in this study are restricted to supporting association rather than drawing definitive cause and effect conclusions.

### Recommendations for Future Research

This study was meant to be exploratory. As such, it represents an important first step in the areas of organizational culture and customer orientation research. Addressing some of the limitations of this study, replications are encouraged in order to verify the results. Central among issues to be addressed in future research would include obtaining a random sample of salespeople to avoid the problem of self-selection inherent in this study's convenience sample. The design should also include a mixture of industry, product, and selling situation types to allow generalization of findings. The inclusion of objective correlates to use for validation would also make a meaningful contribution to extending the findings of this study.

Future research designs could include a causal modeling approach for analysis. This methodology would allow going beyond association and build support for the posited antecedent and thus causal relationship from organizational culture to customer orientation. Such a modeling approach could also further investigate the relationship of PROACTIVE, EMPOWER, and TEAM, providing increased understanding of the relative importance of these dimensions.

Further extensions are needed to investigate the nature of the model relating organizational culture and customer orientation to additional variables of interest to researchers and practitioners. Among the variables of interest would be organizational commitment, role ambiguity and conflict, motivation, and performance. Incorporating the role of personal values and degree of environmental fit into a model of this nature would also prove meaningful.

As conceptualized, organizational culture has much potential explanatory power in marketing. It is hoped that the results of this first exploratory research study and the measures developed will encourage more study and further understanding of this construct.

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**APPENDIX A**  
**INITIAL ITEM LISTINGS**

## CUSTOMER ORIENTED BEHAVIOR

A. Possesses a Willingness to Help Customers

1. I try to match a customer's problem with a product that helps solve that problem.
2. I prefer to sell as much as I can rather than working to satisfy a customer. (-)
3. I am sincerely interested in solving the problems of my customers.
4. I try to close the sale rather than take time to discover the customer's problems. (-)
5. I desire to help customers make satisfactory purchase decisions.
6. I am never too busy to help a customer.
7. I behave toward customers in a way that conveys my desire to help the customer.
8. I am available to customers when they need me.
9. I try to give customers individual attention.
10. I often make the sale without exploring the needs of the customer. (-)

B. Assesses Customer Needs through 2-way Communications

1. I encourage customers to discuss their needs with me.
2. I use time to persuade a customer to buy rather than trying to discover his needs. (-)
3. I attempt to figure out the needs of a customer.
4. I begin selling a product before exploring a customer's needs. (-)
5. In order to keep from losing the sale to the competition, I will close the customer without a full understanding of his needs. (-)
6. I actively work with customers to better understand their specific needs.
7. I am inquisitive in exploring the customer's needs.
8. I take time to listen to the customer in order to better understand their problems.
9. Intense competition requires that I emphasize making the sale rather than taking time to discover the specific needs of the customer. (-)
10. I listen to the customer in order to find out what kind of product would be most helpful to them.

C. Builds Value by Offering Products That Satisfy Customer Needs

1. I try to help customers achieve their goals.
2. When showing a product, I have the customer's best interest in mind.
3. I make more sales by not attempting to match products to specific customer needs. (-)
4. I provide caring and individualized attention to match the customer's needs.
5. I tailor the product to the particular needs of the customer.
6. I am flexible in adapting to the changing needs and demands of different customers.
7. I am oriented to the interests of the customer.
8. I offer the customer products based on his specific needs.



9. I typically offer a standard product to customers rather than adapting it to meet needs of particular customers. (-)
10. I offer the product that is best suited to the customer's problem.

D. Avoids the Use of Deceitful Practices

1. I sometimes imply to a customer that something is beyond my control when it is not. (-)
2. I pretend to agree with customers in order to please them. (-)
3. I try to sell a customer all I can convince them to buy, even if I think it is more than they should buy. (-)
4. I decide what products to offer on the basis of what I can convince customers to buy, not on the basis of what will satisfy them in the long run. (-)
5. I attempt to give customers an accurate description of what the product or service will do for them.
6. I often tell the customer what I think they want to hear in order to make the sale. (-)
7. I am willing to disagree with a customer in order to help him make a better decision.
8. It is necessary to stretch the truth in describing a product to a customer. (-)
9. I paint too rosy a picture of my products, to make them sound as good as possible. (-)
10. I try to answer a customer's questions about products as correctly as I can.

E. Is Understanding Rather Than Manipulative in Behavior

1. I watch for weaknesses in a customer's personality so I can use them to put pressure on him to buy. (-)
2. If I am not sure a product is right for a customer I will still apply pressure to get him to buy. (-)
3. I try to influence customers' decisions by giving the customer information rather than using pressure.
4. If it is needed to get a sale, I use manipulative behavior to influence the customer. (-)
5. I work with customers on a basis of mutual respect and understanding rather than manipulating them to purchase.
6. I avoid manipulative tactics when dealing with customers.
7. I sometimes use overpowering behavior when responding to the objections of a customer. (-)
8. I use the soft-sell approach to selling rather than domination.
9. I use high pressure tactics to close the sale. (-)
10. I work with customers on a basis of mutual understanding rather than using manipulative tactics.

F. Represents the Customer to the Company

1. I communicate the needs of the customers back to the company.
2. I often make suggestions to the company as to how we can better serve customers.
3. I frequently communicate with management regarding the problems of customers.
4. I intercede on behalf of the customer when the customer has a problem with our company or product.
5. I try to work for the best interest of the customer in dealing with my company.

6. I work with different departments within the company on behalf of customers.
7. My loyalty is to the company over the customer. (-)
8. I work for the best interest of the company over the interests of the customer. (-)
9. I seldom communicate with management regarding the needs or problems of customers. (-)
10. I often assist the company in developing products and services based on customer problems.

#### G. Adopts the Double-Win Philosophy

1. I treat a customer as a rival. (-)
2. I try to achieve my personal goals by satisfying customers.
3. I work to achieve company objectives while simultaneously solving customer problems.
4. I try to build a relationship with customers based on mutual trust and confidence.
5. Sound purchase decisions based on customer needs allow the company and the customer to mutually benefit from a sale.
6. In selling products, I try to represent the interests of the company and the interests of the customer simultaneously.
7. By understanding the needs of the company and the customer, I build long-term relationships that are mutually beneficial.
8. I suggest products that maximize benefits to the company, even when they are not the best match for a customer problem. (-)
9. I find it difficult to sell products that mutually solve customer problems and achieve company objectives. (-)
10. My orientation allows me to work with the company in offering products based on customer desires and needs, thus both the company and the customer win benefits from the sale.

#### H. Evaluates Customer Satisfaction and Provides Follow-up Activities

1. I emphasize service after the sale.
2. I measure and evaluate the customer's satisfaction after the sale.
3. After the sale, I provide conscientious follow-up to be sure everything was handled properly.
4. I don't contact the customer following the sale, it is somebody else's job to take care of problems. (-)
5. I seek out and handle customer complaints quickly and efficiently.
6. I present and sell products, other people in our company provide follow-up service. (-)
7. I show my sincere appreciation for the purchase at the close of each sale.
8. I leave post-sale activities and problems for the customer service people to handle. (-)
9. I purposely give customers every opportunity to disclose their true feelings and then decide what action should be taken to alleviate the problem.
10. I follow-up my sales in different ways to tell the customer that I appreciate their business and determine if they are satisfied with their purchase.

## ORGANIZATIONAL CULTURE

### A. External vs. Internal Orientation:

1. Major emphasis is placed on monitoring the external environment and adapting plans to meet the changing demands of the external environment.
2. Major emphasis is on internal details such as policies, procedures, and operations.
3. Major emphasis is on meeting demands from outside the organization.
4. Most emphasis is on organizational routines, paperwork, and operations.
5. The organization is oriented more to the internal concerns of organization and operations than it is to concerns from the external environment.
6. The organization places more emphasis on internal details like meetings, paperwork and reports rather than focusing on happenings in the external environment.
7. Emphasis is placed on adapting organizational strategies to needs and requirements of the external environment.
8. Identifying and reacting to the external environment is a major organizational concern.
9. Internal procedures and operations are more important than external environmental factors.
10. Most emphasis is placed on meeting outside demands of economic conditions, stakeholders, suppliers, sociocultural factors, political/legal factors, technological developments or whatever.

### B. Simple vs complex organizational structure

1. Our organization consists of several levels of management.
2. Our organization contains a large variety of departments.
3. Our organization consists of many different job titles.
4. Our organization is made up of several different departments.
5. There are several levels of supervisors in our organization.
6. There are few levels of management in our organizational unit.
7. Very few different job titles exist across our organization.
8. Our organizational unit is characterized by a minimum number of supervisory levels.
9. This organizational unit is made up of only a few different departments.
10. Our organizational unit contains several different geographical sub-units.

### C. Centralized vs decentralized decision making

1. Most decisions affecting our organization are made by certain key individuals.
2. Upper level management retains the authority for decision making.
3. Many organizational decisions are delegated to people at lower organizational levels.
4. As many decisions as possible are made by the people that the decision will affect.

5. Individuals are encouraged to make decisions affecting their work situations.
6. Decision making is pushed down the organization and made at lower levels.
7. We don't have much to say about what happens in our jobs, we just do as management tells us.
8. Decision making is the responsibility of individuals at lower levels of the organization.
9. Individual employees throughout the organization provide input into decision making.
10. Decisions in our organization tend to be made at the top levels of management.

D. Predisposed toward adapting and change vs. caution and safety

1. Our organization readily adapts to meet challenges and opportunities.
2. Individuals are encouraged to take risks by changing behaviors to meet challenges and opportunities.
3. Favoring caution and safety, our organization is slow to change plans.
4. Our organization is conservative in plans to meet changing conditions.
5. Our organization tends toward adapting and change as opposed to caution and safety.
6. When presented with changing conditions, our organization reacts quickly.
7. Our organization encourages safety and caution through rigid adherence to established procedures.
8. When conditions change, our organization is very cautious and slow to react.
9. Our organization reacts slowly to changing conditions due to its cautious adherence to established procedures.
10. Our organization policies encourage adapting and changing in order to meet changing situations.

E. Task vs. Social emphasis

1. Successful completion of the job is more important than the needs of the employees or customers.
2. Personal objectives and social needs of employees are secondary to the successful completion of the job itself.
3. Deliberate attention to process and job details is encouraged over personal objectives and needs of employees.
4. Management is understanding and stresses achievement of personal goals.
5. Meeting job standards is more important than considering personal needs on the job.
6. The organization values human needs over the details of job process.
7. Details of the job process are more important than employee needs.
8. Employee interaction is important in designing job requirements.
9. Technical perfection in getting job process and details right are important.
10. Procedures are carried out as they are written down without question.

F. Focus on stability vs innovation

1. The organization encourages innovative behavior to respond to changing needs and opportunities.
2. The organization favors stability and conformity to policy rather than flexibility and innovation.
3. The organization empowers the individual to be flexible in solving problems as they occur.
4. Our organization discourages innovative behaviors.
5. Our organization promotes behaviors that conform to established rules.
6. Our organization encourages individuals to be creative in reacting to changing conditions.
7. Innovation is slow to occur in our organization due to strict conformity to existing rules.
8. In order to lower risks of innovative behavior, rules are strictly administered in our organization.
9. Our organization favors action and change in response to changing conditions.
10. Our organization accepts the risks and encourages innovation.

G. Individual vs participative decision making

1. Members have collective input in setting standards by which their performance is judged.
2. Supervisors consult with members before making plans and decisions affecting those members.
3. Organizational expectations for member performance are set without input from members.
4. The organization solicits and uses suggestions from collective groups of members before making decisions.
5. The organization stresses that members should collectively influence what goes on in their work.
6. The organization provides opportunity for members to participate in determination of procedures and goals.
7. The organization believes best decisions are reached without input from the individuals involved.
8. The organization believes best decisions are reached through involving the people that will be affected.
9. Decisions are made by key individuals without seeking input from members involved.
10. The organization expects members in a given job to determine the nature of tasks and arrive at a course of action.

H. Ad hocery vs systematic planning

1. The organization uses systematic planning in order to better anticipate and thus plan changes.
2. Rather than plan ahead for change, the organization reacts to changes when they occur.
3. The organization tends to anticipate changes and systematically plans for them.
4. The organization reacts to changing situations after the changes occur rather than planning ahead.
5. The organization attempts to anticipate changing conditions ahead of time in order to have plans ready when change occurs.
6. The organization makes no attempt to anticipate or plan for change.
7. The organization's planning does not anticipate change and has to react after changes occur.

8. The organization anticipates changing situations and makes plans accordingly.
9. The organization does not anticipate changing situations and has to react after the changes occur.
10. The organization anticipates change and makes plans in advance of change occurring.

I. Rewards based on individual vs team contributions

1. The organization bases rewards on the basis of overall team or organization performance rather than individual performance.
2. Rewards and recognition are based on individual accomplishments.
3. Rewards and recognition are based on overall organization performance rather than individual performance.
4. Individual performance appraisals tend to be based on subjective criteria.
5. Performance accountability is assessed individually using financial outcomes.
6. Performance is judged primarily on results of the individual, rather than on methods by which results are achieved.
7. Performance evaluations focus on the immediate time frame with little consideration of long-term consequences.
8. Rewards and recognition are explicitly linked to quantitative performance measures.
9. Rewards and recognition are explicitly linked to qualitative performance measures.
10. The team or organizational performance is more important than individual accomplishments.

J. Focus on conformity vs individuality

1. The organization encourages members to produce novel solutions to non-routine problems and situations.
2. The organization discourages flexibility and individuality in favor of conformity to rules and procedures.
3. The organization promotes independent thought and action.
4. The organization allows members to do pretty much what they want to do.
5. The organization prompts members to act independently of rules and supervisors.
6. The organization requires members to act in conformity with rules and supervisor expectations.
7. The organization restricts individual flexibility and independence through conformity to rules.
8. The organization encourages adherence to established rules and procedures.
9. The organization inspires members to exercise individual initiative.
10. The organization authorizes individual members to act independently.

K. Informal vs formal procedures

1. Tasks are formally assigned on a basis of authority and responsibility in the system.
2. Tasks are informally assigned on a basis of personal needs for learning and growth of individual members.
3. Organizational procedures and rules place unreasonable constraints on member behavior.

4. The organization stresses control through strict enforcement of rules and procedures.
5. The organization has formal rules and procedures that are to be followed by members.
6. The organization encourages members to be flexible and deal with situations as they occur.
7. Member behavior is determined more by the expectations of work colleagues than by formal rules of organization.
8. The organization prompts members to develop informal procedures within work groups.
9. The organization encourages behavior of individual members to be governed by expectations of co-workers rather than by formal rules.
10. Member behavior and work tasks are governed by formal rules and procedures.

L. Cooperation vs competition among fellow workers

1. The organization encourages members to compete with one another for rewards and recognition.
2. The organization prompts members to work together for a common good.
3. Members work together only when they believe they can use each other for personal advantage.
4. Members typically express concern for the well being of other members of the organization.
5. Members go out of their way to help other members of the work group.
6. Individual members try to make the work group operate as a team.
7. Members work together in order to better deal with competition from other companies.
8. Work group members cooperate with other work groups in the organization.
9. Individual members compete with one another for personal advantage.
10. The organization encourages members to develop close friendships among themselves.

M. High vs low loyalty

1. Members show genuine concern for the problems that face the organization.
2. Members make suggestions on how to improve the organization.
3. Members feel that the organization is the best and perhaps only company in which they could gain the experience and growth opportunities they enjoy.
4. Members would be shocked to hear of another member's leaving to join another organization.
5. Members feel that the organization's problems are their own problems.
6. Members consider loyalty to the organization as very important.
7. Members identify with the organization more than they identify with groups outside the organization.
8. Members feel their first loyalty is to the organization.
9. Members feel a strong sense of pride in membership in the organization.
10. Members view the organization as an extension of themselves.

N. Intrinsic vs extrinsic commitment

1. Members are primarily motivated by intrinsic interest and enjoyment to be found in work activities.
2. Members are motivated by economic and political power.
3. Members are motivated by personal commitment to goal achievements.
4. Work is performed out of hope for financial rewards.
5. Work is performed out of satisfaction in excellence of work and achievement.
6. Work is performed out of enjoyment of the activity for its own sake.
7. Work is performed out of fear of punishment.
8. Work is performed out of concern and respect for the expectations and needs of other persons involved.
9. Members are motivated by the satisfaction that comes from just doing a good job.
10. Work is performed primarily for money and economic rewards.



## APPENDIX B

### THE PRE-PILOT SURVEY INSTRUMENT

**INSTRUCTIONS -- SECTION ONE**

This section is designed to examine the environment within which you work. In completing this portion of the survey, please consider each statement as it refers to your "organizational work group or unit" -- the group of people, including supervisors and co-workers, with whom you commonly interact in the organization. For example, some people work and interact with people throughout the entire organization. Consequently, their relevant work group or unit would be individuals throughout the larger organization. Other people commonly work with a more specific set of supervisors and co-workers, perhaps within a certain division or sub-unit of the organization. In this case, the individuals from this division or sub-unit would be your "organizational work group." Another type of "organizational work group" could be composed of supervisors and co-workers from several different operating divisions or sub-units of the larger organization.

As you consider your organizational work group, express your agreement or disagreement with each of the following statements by circling the number that best represents your opinion. Please respond to each statement as it relates to your particular organizational work unit or group--the group of people with whom you commonly work and interact in your organization.

The meanings of the numbers are:

(1) STRONGLY DISAGREE    (2) DISAGREE    (3) SLIGHTLY DISAGREE    (4) NEITHER AGREE OR DISAGREE  
(5) SLIGHTLY AGREE    (6) AGREE    (7) STRONGLY AGREE

For example, if you circled a 5 on the statement below, you would be indicating that you SLIGHTLY AGREE with the statement.

There are several levels of management.    STRONGLY DISAGREE    1   2   3   4   5   6   7    STRONGLY AGREE

STATEMENT	STRONGLY DISAGREE	1	2	3	4	5	6	7	STRONGLY AGREE
ANT TO THE ORGANIZATIONAL GROUP WITH WHOM I WORK.....									
X 1. There is more concern regarding internal details like meetings, quotas, paperwork and reports than with happenings in the external environment.....	1	2	3	4	5	6	7		
X 2. Individual flexibility and independence is restricted through conformity to rules.....	1	2	3	4	5	6	7		
X 3. Employees typically express concern for the well being of other employees.....	1	2	3	4	5	6	7		
X 4. Employees are encouraged to develop close friendships among themselves.....	1	2	3	4	5	6	7		
X 5. Employees are motivated by personal commitment to goal achievements.....	1	2	3	4	5	6	7		
X 6. Identifying and reacting to the external environment is a major concern.....	1	2	3	4	5	6	7		
X 7. Employees show genuine concern for the problems that face the organization.....	1	2	3	4	5	6	7		
X 8. Adjustments are willingly made to meet challenges and opportunities.....	1	2	3	4	5	6	7		
X 9. There are several levels of supervisors.....	1	2	3	4	5	6	7		
X 10. Management is understanding and stresses achievement of personal goals.....	1	2	3	4	5	6	7		
X 11. Innovative behavior is encouraged in response to changing needs and opportunities.....	1	2	3	4	5	6	7		
X 12. Major emphasis is placed on monitoring the external environment and adapting plans to meet the changing demands of the external environment.....	1	2	3	4	5	6	7		
X 13. Employee behavior and work tasks are governed by formal rules and procedures.....	1	2	3	4	5	6	7		
X 14. Decision making is the responsibility of individuals at lower levels of the organization....	1	2	3	4	5	6	7		
X 15. Major emphasis is on internal details such as organizational routines, policies, paperwork, and operations.....	1	2	3	4	5	6	7		
X 16. Deliberate attention to job details is encouraged over personal objectives and needs of employees.....	1	2	3	4	5	6	7		

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RELEVANT TO THE ORGANIZATIONAL GROUP WITH WHICH I WORK.....	STRONGLY DISAGREE							STRONGLY AGREE						
X17. Performance is judged primarily on results of the individual, rather than on methods by which results are achieved.....	1	2	3	4	5	6	7							
X18. Loyalty to the organization is very important.....	1	2	3	4	5	6	7							
X19. Employees are motivated by the satisfaction from just doing a good job.....	1	2	3	4	5	6	7							
X20. There is a tendency toward adapting and change as opposed to caution and safety.....	1	2	3	4	5	6	7							
X21. Employees are primarily motivated by the enjoyment to be found in work activities.....	1	2	3	4	5	6	7							
X22. There are a minimum number of supervisory levels.....	1	2	3	4	5	6	7							
X23. Innovative behaviors are discouraged.....	1	2	3	4	5	6	7							
X24. Upper level management retains the authority for decision making.....	1	2	3	4	5	6	7							
X25. Individuals are encouraged to take risks by changing behaviors to meet challenges and opportunities.....	1	2	3	4	5	6	7							
X26. Rewards and recognition are based on individual accomplishments.....	1	2	3	4	5	6	7							
X27. Personal objectives and social needs of employees are secondary to the successful completion of the job itself.....	1	2	3	4	5	6	7							
X28. Supervisors consult with employees before making plans and decisions affecting those employees.....	1	2	3	4	5	6	7							
X29. Tasks are formally assigned on a basis of authority and responsibility in the system.....	1	2	3	4	5	6	7							
X30. Individuals are encouraged to make decisions affecting their work situations.....	1	2	3	4	5	6	7							
X31. When presented with changing conditions, changes are made to deal with the new conditions...	1	2	3	4	5	6	7							
X32. Stability and conformity to policy are favored rather than flexibility and innovation.....	1	2	3	4	5	6	7							
X33. Employees are empowered to be creative in solving problems as they occur.....	1	2	3	4	5	6	7							
X34. When conditions change, our organization is cautious and slow to react.....	1	2	3	4	5	6	7							
X35. The organization stresses that employees should influence what goes on in their work.....	1	2	3	4	5	6	7							
X36. Our organization is made up of many different departments.....	1	2	3	4	5	6	7							
X37. No attempts to anticipate or plan for change are made.....	1	2	3	4	5	6	7							
X38. The team or organizational performance is more important than individual accomplishments....	1	2	3	4	5	6	7							
X39. The fulfillment of job standards is more important than personal needs on the job.....	1	2	3	4	5	6	7							
X40. Employee interaction is important in designing job requirements.....	1	2	3	4	5	6	7							
X41. Employees don't have much to say about what happens on the job, they just do as management tells them.....	1	2	3	4	5	6	7							
X42. Behaviors that conform to established rules are encouraged.....	1	2	3	4	5	6	7							
X43. Changes are anticipated and planned for.....	1	2	3	4	5	6	7							
X44. Employees are encouraged to develop informal procedures within work groups.....	1	2	3	4	5	6	7							
X45. Employees exercise individual initiative.....	1	2	3	4	5	6	7							
There are many different job titles.....	1	2	3	4	5	6	7							
X47. Innovation is slow to occur due to strict conformity to existing rules.....	1	2	3	4	5	6	7							

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APPENDIX C

THE PILOT SURVEY INSTRUMENT

## ORGANIZATIONAL CULTURE SURVEY

## SECTION I. WORK GROUP CHARACTERISTICS

This section is designed to examine the environment within which you work. In completing this portion of the survey, please consider each statement as it refers to your organizational work group or unit - the group of people, including supervisors and co-workers, with whom you commonly interact in the organization. For example, some people work and interact with people throughout the entire organization. Consequently, their relevant work group or unit would be individuals throughout the larger organization. Other people commonly work with a more specific set of supervisors and co-workers, perhaps within a certain division or sub-unit of the organization. In this case, the individuals from this division or sub-unit would be your "organizational work group." Another type of "organizational work group" could be composed of supervisors and co-workers from several different operating divisions or sub-units of the larger organization.

As you consider your organizational work group, express your agreement or disagreement with each of the following statements by circling the number that best represents your opinion. Please respond to each statement as it relates to your particular organizational work unit or group-the group of people with whom you commonly work and interact in your organization. The meanings of the numbers are:

- (1) STRONGLY DISAGREE    (2) DISAGREE    (3) SLIGHTLY DISAGREE    (4) NEITHER AGREE OR DISAGREE  
(5) SLIGHTLY AGREE    (6) AGREE    (7) STRONGLY AGREE

For example, if you circled a 5 on the statement below, you would be indicating that you slightly agree with the statement.

There are several levels of management..... 1 2 3 4 5 6 7

## 4. THE SIZE &amp; COMPOSITION OF MY ORGANIZATIONAL WORK GROUP IS :

## WITH REGARD TO MY WORK GROUP DESCRIBED ABOVE :

	STRONGLY DISAGREE						STRONGLY AGREE
1. There is more concern regarding internal details (such as meetings, quotas, paperwork, reports, and etc.) than with happenings in the external environment.....	1	2	3	<u>4</u>	5	6	7
2. Employees are motivated by personal commitment to goal achievements.....	1	2	<u>3</u>	4	5	6	7
3. Identifying and reacting to the external environment is a major concern.....	1	2	<u>3</u>	4	5	6	7
4. Employees show genuine concern for the problems that face the organization.....	1	2	3	4	<u>5</u>	6	7
5. Plans are frequently adjusted to meet challenges and opportunities.....	1	2	3	<u>4</u>	5	6	7
6. There are several levels of supervisors.....	1	2	3	4	<u>5</u>	6	7
7. Management is understanding and stresses achievement of the employees' needs.....	1	2	3	<u>4</u>	5	6	7
8. Innovative behavior is encouraged in response to changing needs and opportunities...	1	2	3	<u>4</u>	5	6	7
9. Major emphasis is placed on monitoring the external environment.....	1	2	3	<u>4</u>	5	6	7
10. Authority for decision making is frequently delegated to lower levels of the organization.....	1	2	<u>3</u>	4	5	6	7
11. A major part of employee rewards and recognition is based on criteria other than performance (things such as seniority, favoritism, position, and etc.).....	1	2	<u>3</u>	4	5	6	7
12. Careful attention to job details is more important than personal needs of employees..	1	2	3	<u>4</u>	5	6	7
13. A major component of employee rewards and recognition is based on the overall performance of the work group.....	1	2	3	4	<u>5</u>	6	7
14. Employees are motivated by the satisfaction that comes from just doing a good job...	1	2	3	4	<u>5</u>	6	7
15. Employees are motivated by the enjoyment to be found in work activities.....	1	2	3	4	<u>5</u>	6	7
16. Work is performed out of the desire to gain respect of co-workers.....	1	2	3	<u>4</u>	5	6	7
17. Our work group is very innovative in its approach to problems.....	1	2	3	<u>4</u>	5	6	7
18. Top levels of management make most of the major decisions.....	1	2	3	4	5	<u>6</u>	7
19. Individuals are encouraged to change their behavior in order to meet challenges and opportunities.....	1	2	3	4	<u>5</u>	6	7
20. A major part of employee rewards and recognition is based on that individual's performance.....	1	2	3	4	<u>5</u>	6	7

WITH REGARD TO MY WORK GROUP DESCRIBED ABOVE :		STRONGLY DISAGREE							STRONGLY AGREE						
1	Personal needs of employees are secondary to the successful completion of the job itself.....	1	2	3	4	5	6	7							
2	Supervisors consult with employees before making decisions affecting those employees.....	1	2	3	4	5	6	7							
3	Following formal rules and procedures is encouraged.....	1	2	3	4	5	6	7							
4	Employees are encouraged to make routine decisions affecting their work situations.....	1	2	3	4	5	6	7							
5	When presented with changing conditions, changes are made to deal with the new conditions.....	1	2	3	4	5	6	7							
6	Conformity to policy is favored rather than flexibility and innovation.....	1	2	3	4	5	6	7							
7	Employees are allowed to be creative in solving problems as they occur.....	1	2	3	4	5	6	7							
8	Our work group is slow to react when conditions change.....	1	2	3	4	5	6	7							
9	There are many different departments.....	1	2	3	4	5	6	7							
10	The fulfillment of job requirements is more important than employees' personal needs on the job.....	1	2	3	4	5	6	7							
11	Employees are not allowed to make decisions.....	1	2	3	4	5	6	7							
12	Changes are anticipated and planned for.....	1	2	3	4	5	6	7							
13	Employees are motivated to exercise individual initiative.....	1	2	3	4	5	6	7							
14	There are many different job titles.....	1	2	3	4	5	6	7							
15	Employees have input in setting standards by which their performance is judged.....	1	2	3	4	5	6	7							
16	Employees are encouraged to produce novel solutions to non-routine problems and situations.....	1	2	3	4	5	6	7							
17	Most decisions are made jointly by members of our work group.....	1	2	3	4	5	6	7							
18	Changing situations are anticipated and plans are made accordingly.....	1	2	3	4	5	6	7							
19	Appraisal criteria for rewards and recognition are equitable and even-handed.....	1	2	3	4	5	6	7							
20	Work group members go out of their way to help co-workers.....	1	2	3	4	5	6	7							
21	Employee behavior is determined more by co-workers than by formal rules and procedures.....	1	2	3	4	5	6	7							
22	Employees work together in order to better deal with competition from other companies.....	1	2	3	4	5	6	7							
23	Group members cooperate with members of other work groups in the organization.....	1	2	3	4	5	6	7							
24	Work group members would be willing to make sacrifices for the good of the organization.....	1	2	3	4	5	6	7							
25	Employees feel that the organization's problems are their own problems.....	1	2	3	4	5	6	7							
26	Employees feel their first loyalty is to the organization.....	1	2	3	4	5	6	7							
27	Work group members have input regarding major decisions affecting the organization's success.....	1	2	3	4	5	6	7							
28	Within the work group, a major emphasis is on internal details (things such as organizational routines, policies, paperwork, operations, and etc.).....	1	2	3	4	5	6	7							
29	Employees are required to act in conformity with work rules.....	1	2	3	4	5	6	7							
30	The behavior of work group members is strictly regulated by formal rules and procedures.....	1	2	3	4	5	6	7							
31	Employees are allowed to decide how to best perform their jobs.....	1	2	3	4	5	6	7							
32	Rather than plan ahead for change, the organization reacts to changes after they occur.....	1	2	3	4	5	6	7							
33	Individual employees try to make the work group operate as a team.....	1	2	3	4	5	6	7							

\*\*\* PLEASE TURN AND COMPLETE THE FOLLOWING PAGE \*\*\*

## WITH REGARD TO MY WORK GROUP DESCRIBED ABOVE :

	STRONGLY DISAGREE	1	2	3	4	5	6	7	STRONGLY AGREE
Overall, my work group operates as a team.....	1	2	3	4	5	6	7		
My values and my work group's values are very similar.....	1	2	3	4	5	6	7		
In many ways I look at my work group as an extension of myself.....	1	2	3	4	5	6	7		

## SECTION II. COMPANY OR ORGANIZATION CHARACTERISTICS

This section changes focus from your organizational work group to the overall organization for which you work. As you consider your overall organization, express your agreement or disagreement with each of the following statements by circling the number that best represents your opinion.

## WITH REGARD TO MY COMPANY OR ORGANIZATION :

	STRONGLY DISAGREE	1	2	3	4	5	6	7	STRONGLY AGREE
I am "in good" with the "powers-that-be".....	1	2	3	4	5	6	7		
Overall, I consider my organization to be progressive.....	1	2	3	4	5	6	7		
There is a high level of trust between employees and management.....	1	2	3	4	5	6	7		
I would consider leaving my present organization for an increase in pay.....	1	2	3	4	5	6	7		
I would consider leaving my present organization for more status.....	1	2	3	4	5	6	7		
I would consider leaving my present organization for more freedom to be creative.....	1	2	3	4	5	6	7		
I would consider leaving my present organization to work with people who are friendlier.....	1	2	3	4	5	6	7		
Overall, I am very satisfied with this job.....	1	2	3	4	5	6	7		
Overall, the organization has good communications between employees and management.....	1	2	3	4	5	6	7		
Overall, I believe our organization will be competitive in the future.....	1	2	3	4	5	6	7		
In order to succeed in our organization, it is <i>never</i> necessary to compromise one's ethics.....	1	2	3	4	5	6	7		

## SECTION III. CUSTOMER CONTACT CHARACTERISTICS

The statements below describe various ways a salesperson might act with customers or prospects (for convenience, the word "customer" is used to refer to both customers and prospects). For each statement, please indicate the proportion of your customers with whom you act as described by the statement. Do this by circling one of the numbers from 1 to 9. The meanings of the numbers are:

- |  |  |
|--|--|
| 1 - True for NONE of your customers—NEVER              | 6 - True for SOMEWHAT MORE THAN HALF of your customers |
| 2 - True for ALMOST NONE of your customers             | 7 - True for a LARGE MAJORITY of your customers        |
| 3 - True for A FEW of your customers                   | 8 - True for ALMOST ALL your customers                 |
| 4 - True for SOMEWHAT LESS THAN HALF of your customers | 9 - True for ALL your customers—ALWAYS                 |
| 5 - True for ABOUT HALF of your customers              |  |

For example, if your circled a 6 on the statement below, you would be indicating that you evaluate the satisfaction of somewhat more than half of your customers.

I evaluate the customers satisfaction after the sale NEVER 1 2 3 4 5 6 7 8 9 ALWAYS

	NEVER	1	2	3	4	5	6	7	8	9	ALWAYS
I try to bring a customer with a problem together with a product that helps him solve that problem.....	1	2	3	4	5	6	7	8	9		
I follow-up my sales to make sure customers are satisfied.....	1	2	3	4	5	6	7	8	9		
I behave toward customers in a way that conveys my desire to help the customer.....	1	2	3	4	5	6	7	8	9		
I offer creative solutions based on customers' needs.....	1	2	3	4	5	6	7	8	9		
A good salesperson has to have the customer's best interest in mind.....	1	2	3	4	5	6	7	8	9		
I try to get customers to discuss their needs with me.....	1	2	3	4	5	6	7	8	9		

\*\*\* PLEASE TURN AND COMPLETE THE FOLLOWING PAGE \*\*\*



	NEVER	ALWAYS
7. I leave post-sale activities and problems for the customer service people to handle.....	1 2 3 4 5 6 7 8 9	
8. I spend more time trying to persuade a customer to buy than I do trying to discover his needs.....	1 2 3 4 5 6 7 8 9	
9. I quickly take care of customer problems and complaints.....	1 2 3 4 5 6 7 8 9	
10. I try to figure out what a customer's needs are.....	1 2 3 4 5 6 7 8 9	
11. I am available to customers when they need me.....	1 2 3 4 5 6 7 8 9	
12. I begin the sales talk for a product before exploring a customer's needs with him.....	1 2 3 4 5 6 7 8 9	
13. I evaluate the customer's satisfaction after the sale.....	1 2 3 4 5 6 7 8 9	
14. I try to find out what kind of product would be most helpful to a customer.....	1 2 3 4 5 6 7 8 9	
15. I suggest products that maximize benefits to the company, even when they are not the best match for a customer problem.....	1 2 3 4 5 6 7 8 9	
16. I try to help customers achieve their goals.....	1 2 3 4 5 6 7 8 9	
17. I work with customers on a basis of mutual understanding rather than using manipulative tactics.....	1 2 3 4 5 6 7 8 9	
18. I offer the product of mine that is best suited to the customer's problem.....	1 2 3 4 5 6 7 8 9	
19. In selling products, I try to simultaneously represent the interests of the company and the interests of the customer.....	1 2 3 4 5 6 7 8 9	
20. I try to sell as much as I can rather than to satisfy a customer.....	1 2 3 4 5 6 7 8 9	
21. I try to build a relationship with customers based on mutual trust and confidence.....	1 2 3 4 5 6 7 8 9	
22. I imply to a customer that something is beyond my control when it is not.....	1 2 3 4 5 6 7 8 9	
23. I work to achieve company objectives while simultaneously solving customer problems.....	1 2 3 4 5 6 7 8 9	
24. I pretend to agree with customers to please them.....	1 2 3 4 5 6 7 8 9	
25. I try to achieve my personal goals by satisfying customers.....	1 2 3 4 5 6 7 8 9	
26. I try to sell a customer all I can convince him to buy, even if I think it is more than a wise customer would buy.....	1 2 3 4 5 6 7 8 9	
27. I treat a customer as a rival.....	1 2 3 4 5 6 7 8 9	
28. I decide what products to offer on the basis of what I can convince customers to buy, not on the basis of what will satisfy them in the long run.....	1 2 3 4 5 6 7 8 9	
29. I often assist the company in developing products and services based on customer needs and problems.....	1 2 3 4 5 6 7 8 9	
30. I try to give customers an accurate expectation of what the product will do for them.....	1 2 3 4 5 6 7 8 9	
31. I work with different departments within the company on behalf of customers.....	1 2 3 4 5 6 7 8 9	
32. I am willing to disagree with a customer in order to help him make a better decision.....	1 2 3 4 5 6 7 8 9	
33. I intercede on behalf of the customer when the customer has a problem with our company or product.....	1 2 3 4 5 6 7 8 9	
34. It is necessary to stretch the truth in describing a product to a customer.....	1 2 3 4 5 6 7 8 9	
35. I often make suggestions to the company as to how we can better serve customers.....	1 2 3 4 5 6 7 8 9	
36. I paint too rosy a picture of my products, to make them sound as good as possible.....	1 2 3 4 5 6 7 8 9	
37. I communicate the needs of the customers back to the company.....	1 2 3 4 5 6 7 8 9	
38. I answer a customer's questions about products as correctly as I can.....	1 2 3 4 5 6 7 8 9	

- |  | NEVER | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | ALWAYS |
|--|-------|---|---|---|---|---|---|---|---|---|--------|
| 39. I try to influence customers by information rather than by pressure.....                                     |       | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |        |
| 40. I keep alert for weaknesses in a customer's personality so I can use them to put pressure on him to buy..... |       | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |        |
| 41. If I am not sure a product is right for a customer, I will still apply pressure to get him to buy.....       |       | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |        |
| 42. I don't contact the customer following the sale, it is somebody else's job to take care of problems.....     |       | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |        |

#### SECTION IV. CLASSIFICATION CHARACTERISTICS

This section requests information regarding personal and organizational characteristics. This information will be used in the interpretation of the survey results. As with all parts of this survey, your responses to these questions are anonymous and will not be divulged in any way. Please complete the questions with the proper information.

1. What is your current job title? (Be as specific as possible) Cashier
2. What is your immediate department? (Be as specific as possible) Service
3. In what industry is your organization? Car Repair  
(Banking, Advertising, Broadcasting, Publishing, Medical, Oil, Public Utility, and Etc.)
4. How many years have you worked for this firm? Just 4 YEARS
5. How many years of formal education have you had beyond high school? 0 YEARS
6. Have you attended a company training program within the past two years? ☒ YES ☐ NO
7. What is your age? 34 YEARS
8. What is your sex? ☐ MALE ☒ FEMALE
9. What is your race?
  - ☐ (1) Black
  - ☐ (2) American Indian/Alaskan Native
  - ☐ (3) Asian or Pacific Islander
  - ☐ (4) Hispanic
  - ☒ (5) White
  - ☐ (6) Other \_\_\_\_\_
10. I never hesitate to go out of my way to help someone in trouble..... ☐ TRUE ☒ FALSE
11. I can remember "playing sick" to get out of something..... ☐ TRUE ☒ FALSE
12. There have been occasions when I took advantage of someone..... ☒ TRUE ☐ FALSE
13. If I could get into a movie without paying and be sure I was not seen, I would probably do it..... ☐ TRUE ☒ FALSE
14. I sometimes feel resentful when I don't get my way..... ☒ TRUE ☐ FALSE

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APPENDIX D

THE FIELD SURVEY INSTRUMENT

As you consider your organizational work group, express your agreement or disagreement with each of the following statements by circling the number that best represents your opinion. Please respond to each statement as it relates to your particular organizational work unit or group—the group of people with whom you commonly work and interact in your organization. The meanings of the numbers are:

- (1) STRONGLY DISAGREE (2) DISAGREE (3) SLIGHTLY DISAGREE (4) NEITHER AGREE OR DISAGREE  
(5) SLIGHTLY AGREE (6) AGREE (7) STRONGLY AGREE

There are several levels of management.....

1. THE SIZE & COMPOSITION OF MY ORGANIZATIONAL WORK GROUP IS : X1, X2, X3

**WITH REGARD TO MY WORK GROUP DESCRIBED ABOVE :**

- |         |   |   |   |   |   |   |   |   |
|---------|---|---|---|---|---|---|---|---|
| X 4.2.  | Personal needs of employees are secondary to the successful completion of the job itself  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| X 5.3.  | Identifying and reacting to the external environment is a major concern   | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| X 6.4.  | Group members cooperate with members of other work groups in the organization   | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| X 7.5.  | Major emphasis is placed on monitoring the external environment   | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| X 8.6.  | Careful attention to job details is more important than personal needs of employees   | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| X 9.7.  | Employees are motivated by the satisfaction that comes from just doing a good job   | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| X10 8.  | Plans are implemented in an orderly, systematic fashion   | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| X11 9.  | Rules, administrative details, and red tape are kept to a minimum   | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| X12 10. | Employees act to implement changes in plans   | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| X13 11. | Progress often suffers from too much organization and detail  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| X14 12. | Plans are regularly revised in anticipation of changing conditions  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| X15 13. | Major emphasis is placed on work procedures and administrative details  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| X16 14. | Employees are motivated by the enjoyment to be found in work activities   | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| X17 15. | There are many different job titles   | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| X18 16. | There is more concern regarding internal details (things such as meetings, quotas, paperwork, reports, and etc.) than with happenings in the external environment | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| X19 17. | Employees are encouraged to make routine decisions affecting their work situations  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| X20 18. | Employees are allowed to be creative in solving problems as they occur  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| X21 19. | There are many different sub-units  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| X22 20. | The fulfillment of job requirements is more important than employees' personal needs on the job   | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| X23 21. | Employees are not allowed to make decisions   | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| X24 22. | Changes are anticipated and planned for   | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| X25 23. | There are many lines of authority   | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| X26 24. | Employees are motivated by the desire to gain respect of co-workers   | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| X27 25. | Employees are encouraged to produce novel solutions to non-routine problems and situations  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| X28 26. | The physical arrangement of the workplace facilitates interaction   | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| X29 27. | Group members tend to operate independently   | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| X30 28. | Employees are motivated to exercise individual initiative   | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

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WITH REGARD TO MY WORK GROUP DESCRIBED ABOVE :		STRONGLY DISAGREE				STRONGLY AGREE			
X31	29. Changing situations are anticipated and plans are made accordingly.....	1	2	3	4	5	6	7	
X32	30. Work group members go out of their way to help co-workers.....	1	2	3	4	5	6	7	
X33	31. Excessive attention to rules and procedures often makes it difficult for new ideas to receive attention.....	1	2	3	4	5	6	7	
X34	32. Employees work together in order to better deal with competition from other companies.....	1	2	3	4	5	6	7	
X35	33. Work group members are willing to make sacrifices for the good of the organization.....	1	2	3	4	5	6	7	
X36	34. Overall, my work group operates as a team.....	1	2	3	4	5	6	7	
X37	35. My values and my work group's values are very similar.....	1	2	3	4	5	6	7	
X38	36. In many ways I look at my work group as an extension of myself.....	1	2	3	4	5	6	7	

### CUSTOMER CONTACT CHARACTERISTICS

The statements below describe various ways a salesperson might act with customers or prospects (for convenience, the word "customer" is used to refer to both customers and prospects). For each statement, please indicate the proportion of your customers with whom you act as described by the statement. Do this by circling one of the numbers from 1 to 9. The meanings of the numbers are:

- |  |   |
|--|---|
| 1 - True for NONE of your customers-NEVER<br>2 - True for ALMOST NONE of your customers<br>3 - True for A FEW of your customers<br>4 - True for SOMEWHAT LESS THAN HALF of your customers<br>5 - True for ABOUT HALF of your customers | 6 - True for SOMEWHAT MORE THAN HALF of your customers<br>7 - True for a LARGE MAJORITY of your customers<br>8 - True for ALMOST ALL your customers<br>9 - True for ALL your customers-ALWAYS |
|--|---|

	NEVER				ALWAYS			
Y1. I try to bring a customer with a problem together with a product that helps him solve that problem.....	1	2	3	4	5	6	7	8 9
Y2. I follow-up my sales to make sure customers are satisfied.....	1	2	3	4	5	6	7	8 9
Y3. I behave toward customers in a way that conveys my desire to help the customer.....	1	2	3	4	5	6	7	8 9
Y4. A good salesperson has to have the customer's best interest in mind.....	1	2	3	4	5	6	7	8 9
Y5. I try to get customers to discuss their needs with me.....	1	2	3	4	5	6	7	8 9
Y6. I spend more time trying to persuade a customer to buy than I do trying to discover his needs.....	1	2	3	4	5	6	7	8 9
Y7. I follow up my sales to take care of customer problems and complaints.....	1	2	3	4	5	6	7	8 9
Y8. I try to figure out what a customer's needs are.....	1	2	3	4	5	6	7	8 9
Y9. I begin the sales talk for a product before exploring a customer's needs with him.....	1	2	3	4	5	6	7	8 9
Y10. I evaluate the customer's satisfaction after the sale.....	1	2	3	4	5	6	7	8 9
Y11. I try to find out what kind of product would be most helpful to a customer.....	1	2	3	4	5	6	7	8 9
Y12. I try to help customers achieve their goals.....	1	2	3	4	5	6	7	8 9
Y13. I offer the product of mine that is best suited to the customer's problem.....	1	2	3	4	5	6	7	8 9
Y14. I try to sell as much as I can rather than to satisfy a customer.....	1	2	3	4	5	6	7	8 9
Y15. I handle customer complaints quickly and efficiently.....	1	2	3	4	5	6	7	8 9
Y16. I imply to a customer that something is beyond my control when it is not.....	1	2	3	4	5	6	7	8 9
Y17. I work to achieve company objectives while simultaneously solving customer problems.....	1	2	3	4	5	6	7	8 9
Y18. I pretend to agree with customers to please them.....	1	2	3	4	5	6	7	8 9
Y19. I try to achieve my personal goals by satisfying customers.....	1	2	3	4	5	6	7	8 9
Y20. I try to sell a customer all I can convince him to buy, even if I think it is more than a wise customer would buy.....	1	2	3	4	5	6	7	8 9
Y21. I treat a customer as a rival.....	1	2	3	4	5	6	7	8 9
Y22. I decide what products to offer on the basis of what I can convince customers to buy, not on the basis of what will satisfy them in the long run.....	1	2	3	4	5	6	7	8 9
Y23. I often assist the company in developing products and services based on customer needs and problems.....	1	2	3	4	5	6	7	8 9
Y24. I try to give customers an accurate expectation of what the product will do for them.....	1	2	3	4	5	6	7	8 9
Y25. It is necessary to stretch the truth in describing a product to a customer.....	1	2	3	4	5	6	7	8 9

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	NEVER							ALWAYS
Y 26. I am willing to disagree with a customer in order to help him make a better decision.....	1	2	3	4	5	6	7	8 9
Y 27. I often make suggestions to the company as to how we can better serve customers.....	1	2	3	4	5	6	7	8 9
Y 28. I try to achieve my company's goals by satisfying customers.....	1	2	3	4	5	6	7	8 9
Y 29. I paint too rosy a picture of my products, to make them sound as good as possible.....	1	2	3	4	5	6	7	8 9
Y 30. I communicate the needs of the customers back to the company.....	1	2	3	4	5	6	7	8 9
Y 31. My selling efforts are beneficial to my company and to my customers.....	1	2	3	4	5	6	7	8 9
Y 32. I answer a customer's questions about products as correctly as I can.....	1	2	3	4	5	6	7	8 9
Y 33. I try to influence customers by information rather than by pressure.....	1	2	3	4	5	6	7	8 9
Y 34. I keep alert for weaknesses in a customer's personality so I can use them to put pressure on him to buy.....	1	2	3	4	5	6	7	8 9
Y 35. If I am not sure a product is right for a customer, I will still apply pressure to get him to buy.....	1	2	3	4	5	6	7	8 9

#### COMPANY OR ORGANIZATION CHARACTERISTICS

This section changes focus from your organizational work group to the overall organization for which you work. As you consider your overall organization, express your AGREEMENT or DISAGREEMENT with each of the following statements by circling the number that best represents your opinion. The meanings of the numbers are:

	(1) STRONGLY DISAGREE (5) SLIGHTLY AGREE	(2) DISAGREE (6) AGREE	(3) SLIGHTLY DISAGREE (7) STRONGLY AGREE	(4) NEITHER AGREE OR DISAGREE	
WITH REGARD TO MY COMPANY OR ORGANIZATION :					
Z 1. I am in good with the "powers-that-be".....	1	2	3	4	5 6 7
Z 2. I would consider leaving my present organization for an increase in pay.....	1	2	3	4	5 6 7
Z 3. I am satisfied with the method by which my raises are determined.....	1	2	3	4	5 6 7
Z 4. I am satisfied with the pay I receive for my job.....	1	2	3	4	5 6 7
Z 5. Most individuals in my organization feel a great deal of job security.....	1	2	3	4	5 6 7
Z 6. There is a high degree of interaction between superiors and subordinates.....	1	2	3	4	5 6 7
Z 7. I am satisfied with the security my job provides me.....	1	2	3	4	5 6 7
Z 8. I am satisfied with the promotion opportunities in this firm.....	1	2	3	4	5 6 7
Z 9. I receive the information I need to do my job.....	1	2	3	4	5 6 7
Z 10. I have to do things on my job that should be done differently.....	1	2	3	4	5 6 7
Z 11. I have to buck a rule or policy in order to carry out an assignment.....	1	2	3	4	5 6 7
Z 12. I would consider leaving my present organization for more status.....	1	2	3	4	5 6 7
Z 13. I am satisfied with the feedback I get on my job performance.....	1	2	3	4	5 6 7
Z 14. I feel certain about how much authority I have in my selling position.....	1	2	3	4	5 6 7
Z 15. My opinion of myself goes up when I do my job well.....	1	2	3	4	5 6 7
Z 16. I would consider leaving my present organization for more freedom to be creative.....	1	2	3	4	5 6 7
Z 17. I am generally satisfied with the kind of work I do in this job.....	1	2	3	4	5 6 7
Z 18. I have clear, planned goals and objectives for my selling position.....	1	2	3	4	5 6 7
Z 19. I frequently think of quitting this job.....	1	2	3	4	5 6 7
Z 20. I work for two or more groups who operate quite differently.....	1	2	3	4	5 6 7
Z 21. I know that I have divided my time properly while performing the tasks connected with my selling.....	1	2	3	4	5 6 7
Z 22. I know what my responsibilities are in my selling position.....	1	2	3	4	5 6 7
Z 23. I am satisfied with the recognition I receive.....	1	2	3	4	5 6 7
Z 24. Most people on this job are very satisfied with this job.....	1	2	3	4	5 6 7
Z 25. I feel a great sense of personal satisfaction when I do this job well.....	1	2	3	4	5 6 7
Z 26. I receive incompatible requests from two or more people on my job.....	1	2	3	4	5 6 7
Z 27. I know exactly what is expected of me in my selling position.....	1	2	3	4	5 6 7
Z 28. I would consider leaving my present organization to work with people who are friendlier.....	1	2	3	4	5 6 7

\*\*\* PLEASE TURN AND COMPLETE THE FOLLOWING PAGE \*\*\*

WITH REGARD TO MY COMPANY OR ORGANIZATION :

	STRONGLY DISAGREE	1	2	3	4	5	6	7	STRONGLY AGREE
Z 29. Overall, I am very satisfied with this job.....	1	2	3	4	5	6	7		
Z 30. My own feelings generally are affected a great deal by how well I do this job.....	1	2	3	4	5	6	7		
Z 31. I receive clear explanations of what has to be done in my selling position.....	1	2	3	4	5	6	7		
Z 32. I do things in my job that are apt to be accepted by one person and not by another..	1	2	3	4	5	6	7		
Z 33. People on this job often think of quitting this job.....	1	2	3	4	5	6	7		
Z 34. I receive assignments without adequate resources to execute them.....	1	2	3	4	5	6	7		
Z 35. Overall, the organization has good communications between employees and management.....	1	2	3	4	5	6	7		
Z 36. In my job, I often must work on unnecessary things.....	1	2	3	4	5	6	7		
Z 37. My organization has recently undergone a change in leadership.....	1	2	3	4	5	6	7		
Z 38. I feel bad and unhappy when I discover that I have performed poorly on this job.....	1	2	3	4	5	6	7		
Z 39. In this business, most customers could probably select a satisfactory product for their needs even without a salesperson's help.....	1	2	3	4	5	6	7		
Z 40. Customers expect pressure from salespeople in this business.....	1	2	3	4	5	6	7		
Z 41. I can count on company support in reasonable efforts to look out for my customers..	1	2	3	4	5	6	7		
Z 42. My customers rely on me as a source of product information.....	1	2	3	4	5	6	7		
Z 43. Most customers cooperate with my efforts to find what they need in a product.....	1	2	3	4	5	6	7		
Z 44. My customers trust me.....	1	2	3	4	5	6	7		
Z 45. My product line closely matches the range of customer needs and problems I encounter.....	1	2	3	4	5	6	7		
Z 46. I am under pressure to produce immediate rather than long-term results.....	1	2	3	4	5	6	7		
Z 47. In this business, there is often conflict between the interests of the customer and the salesperson.....	1	2	3	4	5	6	7		
Z 48. I am often hampered in learning customer needs and explaining products by not having sufficient time together with customers.....	1	2	3	4	5	6	7		

49. How many years have you worked for this firm? WORKYEAR YEARS

50. What is your current job title? (Be as specific as possible) TITLE

51. If applicable, please indicate as a percentage, the level of sales quota you achieved last year. QUOTA %

52. Beyond high school, how many years of formal education have you had? EDUC YEARS

53. What is your age? AGE YEARS

54. What is your sex? MALE FEMALE SEX

55. In what industry is your organization? IND

56. A sales representative's performance can be measured in many ways. Comparing yourself with other sales representatives, how do you rate yourself in terms of performance on each of the following dimensions? Please circle the number best matching your comparison.

	POOR	BELOW AVERAGE	AVERAGE	ABOVE AVERAGE	EXCELLENT
a. total performance	1	2	3	4	5
b. customer relations	1	2	3	4	5
c. knowledge of your firm's policies	1	2	3	4	5
d. knowledge of competitors	1	2	3	4	5
e. product knowledge	1	2	3	4	5
f. knowledge of customers	1	2	3	4	5
g. time management	1	2	3	4	5
h. planning	1	2	3	4	5
i. expense management	1	2	3	4	5
j. ability to reach quotas	1	2	3	4	5
k. selling skills	1	2	3	4	5
l. selling aptitude (natural ability)	1	2	3	4	5

CULTYPE 57. Which of the following brief descriptions provides the best picture of your specific organizational work group. Please indicate which summary best characterizes your work group by placing a check mark on the line next to the letter (A) or (B). Please mark only one choice.

\_\_\_\_ (A) My organizational work group tends to be impersonal and slow to change. Decisions are made by individuals at higher levels with little if any input from employees. Explicit rules and control mechanisms are used to control employee behavior.

\_\_\_\_ (B) My organizational work group tends to be social, interpersonal, and adaptive as it reacts to changing situations. Employees participate in decision making and behavior is controlled through the common goals and mutual trust that exists among employees and between employees and management.

\*\*\* THANK YOU FOR COMPLETING THE SURVEY \*\*\*

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VITA

Michael Roy Williams

Candidate for the Degree of  
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SALESPERSONS' CUSTOMER ORIENTED BEHAVIOR

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